



# THE INDEPENDENT

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## INSIDE TODAY

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## TODAY'S NEWS

### Japan acts to prevent economic meltdown

The Japanese authorities were last night racing against time to bail out customers of Yamaichi Securities and prevent the country's biggest financial failure since the Second World War triggering further banking collapses and a global meltdown in stock markets. The company has collapsed with debts of \$24bn amid suspicions that \$1bn of losses were concealed in the Cayman Islands. Meanwhile, leaders of Asia Pacific countries meeting in Vancouver agreed a \$1.5 trillion trade liberalisation deal designed to restore confidence in the region's faltering economies. **Reports, page 18**

### Hutchence mystery

A post-mortem examination today should shed some light on the death of INXS leader singer Michael Hutchence. Did sex, drugs or the pressures of rock and roll end the life of Australia's "wild man" of music? Paula Yates, no stranger to outrage, is incensed by suggestions that Mr Hutchence died during and auto-erotic sex game involving self-asphyxiation. **Pages 3, 15**

### Museum charges

Museum charges look increasingly likely after Chris Smith, the culture secretary, failed to win an increase in tourist taxes to subsidise free entry. The extra £5 charge for each visiting holidaymaker would have raised and extra £400m. The Government announces the results of a review on charging early next month. The odds are it will leave it to trustees of individual galleries and museums. **Page 3**

### Muslims seek one voice

Around 250 Muslim organisations met in London yesterday to launch the first umbrella organisation to represent Muslims in this country. The Muslim Council of Britain, hopes to combat Islamophobia. But it has got off to a rocky start. Before the delegates had sat down, doubts were being expressed about whether a single, secular organisation could represent the broad diversity of Britain's Muslim men and women. **Page 4**

### New World, Miss World

After years of wandering the globe, pursued by increasingly militant critics, Miss World hopes to find a permanent berth in the Seychelles Islands. Security in the Indian Ocean will come at a price, however, for the islands' president wants big changes to the contest's outdated image. **Page 11**

## Paradise islands: will the world act to save them?



Majuro Atoll, the principal Marshall Island, in the Pacific, 80 per cent of which would be covered by a metre rise in sea level

Photograph: James D. Watt/Planet Earth Pictures

The most important environmental talks ever held begin in Japan next week. **Nicholas Schoon, Environment Correspondent**, explains that the very existence of some of the world's smallest nations is at stake.

A rise of half a metre in sea levels over the next 100 years may not sound very much. But, when your country's land is less than two metres above sea level, it matters a great deal.

That is why the tiny, scattered, coral atoll nations of the globe will be watching next week's United Nations climate treaty talks in Kyoto with particular anxiety. If leaders of the developed nations do not agree to begin curbing their rising emissions of greenhouse gases, the islands are likely to become uninhabitable within a couple of generations.

When Australia last week finally declared its negotiating position, that its emissions of climate-changing greenhouse gases must be allowed to rise by 18 per cent between 1990 and 2010, the atolls' diplomats and leaders felt particular

gloom. "Thank you, Australia, for destroying our future," Espen Ronnberg, the Marshall Islands ambassador to the UN, told *The Independent* this weekend. "This outrageous position is completely contrary to what nations are committed to under the UN climate convention they have signed."

The atolls are the coral-reef encrusted remains of sinking, mid-ocean volcanoes. They are specks on the map which, with larger scale charts, appear as tiny islets forming a circle round a shallow lagoon, like a necklace.

The islands may be as long as several kilometres, but they

are, at most, a few hundred metres wide. They consist of coral rubble and sand, eroded from the surrounding reefs and piled up a couple of metres above sea level by storms and waves. Collections of the atolls are bunched together into tiny nation states, such as the Marshall Islands, Kiribati and Tuvalu in the Pacific, and the Maldives in the Indian Ocean.

Being flat, sandy and covered in coconut palms, they may look a little like cartoon desert islands, but they certainly are not deserted. More than a quarter of a million people live on the Maldives, with the number boosted by a grow-

ing tourist trade. The Marshall Islands have a population of 54,000, growing by more than 3 per cent each year.

The scientific consensus is that, if we continue with "business as usual", burning more and more gas, oil and coal, sea levels will rise by half a metre in the next century. The maximum likely increase is one metre by 2100.

While none of the atolls' larger, inhabited islands may disappear entirely beneath the waves, they are expected to lose much of their land. It has been estimated that a metre rise in sea level would drown 80 per cent of Majuro, the main, cap-

ital island of the Marshall Islands. But, before that happens, such islands may run out of something just as crucial as dry land - drinking water.

Neroni Slade, chairman of the Association of Small Island States, and Samoa's ambassador to the UN, said: "We may be dealing with small numbers of people compared to other nations' populations, but we're talking about something larger. We're talking about whole cultures and languages disappearing. These are sovereign states, as unique as any other collection of human beings."

**Kyoto summit, page 7**  
**Leading article, page 14**

## Food lobby jeopardises drive for healthy eating

**Work on setting up Food Standards Agency, to give the consumer vital information on healthy eating, has been halted after an intervention from Peter Mandelson. Our Political Editor reveals that in the wake of the tobacco and Formula One row, another powerful lobby is putting heat on the Government**

A vicious battle is being fought over the Food Standards Agency, an independent body that could yet become the toughest consumer watchdog in Europe.

The powerful food industry lobby, backed by giants like Cadbury Schweppes and Tate & Lyle, is locked in combat with food scientists and the Consumers' Association over plans to give the new agency power to develop policy and legislation on the nutritional quality of diet.

The White Paper setting up the agency, due to be published shortly, has been delayed after Peter Mandelson, minister without portfolio, wrote to ministers questioning the extent of the agency's powers over nutrition. That is precisely the objection raised by food manufacturers who fear that the agency could, for instance, press for big reductions in the amount of sugar and salt in food.

A No 10 spokesman said last night: "There is no compromise on putting the consumer first. What there must be is clarity."

Food scientists believe that bad diet is the single most important health problem facing the country. It is estimated that more than a quarter of all cancers are caused by poor diet, and that heart disease is a massive diet-related problem - even without the effect of smoking. The need for the

Food Standards Agency to tackle diet and nutrition was a key proposal put to the Prime Minister by Professor Philip James, an eminent food scientist. Tony Blair asked the professor for draft proposals when in Opposition; these were delivered within days of Labour's election in May.

The food industry has since been working to water down the professor's proposals for nutrition - which would hit profits. But in spite of the lobbying - backed by donations to the Labour Party, including cash from Tate & Lyle - ministers stood firm, and a draft of the White Paper was ready for Cabinet committee endorsement last month.

At that point, however, two things happened. No 10 circulated a protest let-

similarity between Mr Mandelson's argument and that of the food manufacturers; that nutrition would be a diversion from the agency's central role of ensuring food safety from plough to plate.

Whitehall panic was illustrated when Tessa Jowell, the public health minister, made a London speech earlier this month and her circulated text mistakenly included a civil service note that warned: "In view of the correspondence with No 10 and Mr Mandelson, M(PH) [the minister for public health] may wish to be circumspect in general references to nutrition."

Alarms bells were already ringing throughout Whitehall that the White Paper had been "got at", and on 6 November Sheila McKechnie, head of the Consumers' Association, wrote to Mr Blair in an attempt to reinforce his commitment to Professor James. She told *The Independent* yesterday: "Because of my concern that the food manufacturers had referred their case direct to Downing Street, I wrote to the Prime Minister setting out the Consumers' Association arguments as to why nutrition should be included in the FSA remit. There is no doubt that if the FSA does not deal with nutrition, it will not have the confidence of consumers."

A source close to Mr Mandelson yesterday denied that he had come under any pressure from the food industry, and said that the minister had "absolutely no knowledge whatsoever" of the industry's views.

He then added a remark that will reinforce the fears of Professor James's allies and supporters, saying: "However, it wouldn't actually take a representation from anyone in the industry to see how the proposals could be improved... it isn't a matter of watering it down; it's a matter, if anything, of strengthening the safety remit of the agency." That is precisely what the food industry has been arguing.

BY ANTHONY BEVINS

ter from Sir Dominic Cadbury, of Cadbury Schweppes, and Mr Mandelson sent a letter to colleagues in the Department of Health and the Ministry of Agriculture.

In spite of the fact that Mr Mandelson had been a member of the ministerial committee that had helped draft the White Paper, he belatedly questioned the role of nutrition in the remit of the agency - and brought all proceedings to a grinding halt.

Ministers across Whitehall have told *The Independent* that Mr Mandelson is, in fact, the minister for all portfolios - he "pokes his nose", "sticks his oar", and "chucks his sparrer" into anything and everything. Because he has Mr Blair's ear, it is also feared he speaks for the Prime Minister.

Ministers were particularly struck by the

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TELEVISION The Eye, page 12  
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## COLUMN ONE

### Taxing times for Charles and the princes

Once again the Royal Family finds itself caught between several rocks and a hard, if ermine-lined, place.

The death of Diana, Princess of Wales, leaves her sons facing an inheritance of lottery proportions and a tax bill to match. But the Prince of Wales has ruled out using a legal device which would have saved millions for the young princes – albeit at the taxpayers' expense.

At the same time, the Windsors face losing one of their royal homes. The matter under debate, royal sources claim, is whether Kensington Palace or Buckingham Palace (gift shop pictured) should be turned into a "people's palace" – a memorial to the Princess of Wales and a new home for the royal art collection.

The question of Diana's inheritance has already taxed the finest legal minds. Before her £17m divorce settlement in 1996, which was invested to make £3m in a year, Diana was worth £1m. The total value of her estate when she died was around £21m.

With inheritance tax at 40 per cent, the Exchequer will claim £8.4m for public funds despite a legal precedent which could have benefited the young princes. Charles, acting for his sons, could make a so-called "Barder" application, under which he would have asked the court to allow him to reclaim the £17m he paid the princess in a settlement when they divorced.



That money would then have been put into a trust for Prince William, 15, and 13-year-old Prince Harry.

In the 1987 legal precedent of *Barder v Barder*, a divorce settlement was overturned in the courts following the death of a former wife barely a month after the settlement was agreed.

But a spokeswoman for Prince Charles said: "There will be no *Barder* application. We are keen that all tax dealings should be seen as straightforward and that there should be no question of the Royal Family receiving preferential treatment."

There have been suggestions that Princess Alice, 96, and Princess Margaret, who live at Kensington Palace, would move out of Diana's former home. Buckingham Palace said yesterday there were "no short-term plans" to create a "people's palace" in Diana's memory or to turn the palace into a new home for the royal art collection.

However, senior royal sources indicate that the Windsors are resigned to the inevitability of losing at least one house. No formal decisions have been made yet, and are unlikely until the New Year. But privately, some believe that this is the role which Kensington Palace will have.

The main reason for this is apparently Prince Charles' wish to have "as little as possible" to do with the place since the death of Diana. He is said to feel it only holds sad memories for William and Harry.

Yet royal sources maintain that the younger royals prefer the more informal Kensington Palace to Buckingham Palace.

Some advisers also feel that Buckingham Palace would be a much more lucrative revenue earner than Kensington Palace, particularly among tourists in whose minds Buck House is synonymous with British royalty.

— Kim Sengupta

## PEOPLE



Wealth of knowledge: Playwright Harold Pinter selects a book in the Humanities reading room which opens today at the new British Library in St Pancras, London. Photograph: Andrew Burman

### Old favourites line up for BBC festivities

The BBC's Christmas drama schedule will be spearheaded this year by an adaptation of Wilkie Collins's *The Woman in White*, starring Tara Fitzgerald (pictured) and Ian Richardson, and Maureen Lipman in Jack Rosenthal's *Cold Enough for Snow*.

The corporation hopes to attract large audiences with specials of comedy favourites such as *Men Behaving Badly*, *One Foot in the Grave*, and *Birds of a Feather*.

But Del Boy and Rodney will be missing from screens this year.

A record 24.35 million people tuned in to last year's two-part *Only Fools and Horses* Christmas special – in which the Peckham boys ended up by making their fortune and moving out of their south London stamping ground.

It was said to be the last time David Jason and Nicholas Lyndhurst were appearing in the comedy favourite – although fans have been keeping their fingers crossed that it could come back.

But a BBC spokesman said:



"We are not expecting a new show and John Sullivan has not written a new script."

The Christmas schedule, which was not yet complete, would offer "a traditional mix of comedy and drama – with the emphasis on laughter", he said.

Christmas films on BBC will be the Oscar-winning *Forrest Gump*, and *The Mask* and *The Flintstones*.

Other favourites will include Dawn French in *The Vicar of Dibley*, and *Harry Enfield and Chums*.

Mrs Merton will have some special guests on her show, and outrageous drag star Lily Savage will present a special edition of *Blankety Blank*.

Noel Edmonds will be on safari to Kenya for *Noel's Christmas Presents* and there will be a special *Shooting Stars*. Rolf Harris will present *Christmas Animal Hospital*.

Angus Deayton will have some more surprising footage of famous faces before they hit the big time – and will also present *The End of the Year Show on New Year's Eve*.

Beatles producer Sir George Martin will present the *Rhythm of Life*, featuring Sir Paul McCartney and Noel Gallagher.

BBC2 will offer a season of James Stewart films, including *Mr Smith Goes to Washington*, and *The Philadelphia Story*.

### Impoverished film directors aim high for help

Students whose film career hopes hinge on a movie-making venture have turned to singer/musician Chris Rea and Oscar-winning film director Mike Leigh in an attempt to overcome a potentially crippling blow.

Four film-makers at the Surrey Institute of Art and Design have a crew and actors ready to start shooting their own mini epic, *More Than One Use for a Siletto*.

But after losing their main financial backer due to the Hong Kong stock market crash they have

sent urgent pleas for help to Rea and Leigh. They decided to try Rea because he is from Teesside, the location for their venture, and recently launched his own first film, *La Passion*, while Leigh's latest movie *Career Girls* was partly shot at Hartlepool, also in the area.

The group's spokesperson, Debbie Herbert, 22, said they had lost the cash earmarked for food and lodging for the actors and crew, a major part of their £5,000 production cost.

"We need £1,600 and if the worst comes to the worst we will use money allocated for the later editing."

They made savings by recruiting local actors prepared to work for just expenses and were preparing to launch the operation at the weekend despite the setback.

The film is about three girls on a night out in Hartlepool. The film-makers hoped it would be good enough to make a mark at Cannes and other film festivals and for a Channel 4 screening.

## UPDATE

### FOOD

#### Secret pork pie eaters unmasked

Middle-aged men are telling porkies to their wives about their secret pie-eating habits. They have been identified as responsible for scoffing millions of pork pies every year – but behind their wives' backs.

Tesco launched an investigation into who was eating their pies after the supermarket chain realised although it sold millions, no one admitted eating them.

Spokeswoman Vicky Carnell said: "Pork pies have become the forbidden fruit of the Nineties. 'Wives try to control the number of pork pies their husbands eat because they think they aren't healthy'."

"But the men strike back, sneaking into Tesco on their own to stock up, and even going to the lengths of hiding the pies or their wrappers."

She said the closest pie eaters claimed they had to have a weekly fix. Rather than risk an argument, they simply buy the pies and don't tell anyone.



### EMPLOYMENT

#### Christmas just another working day

More people than ever are working throughout the Christmas period as business responds to the 24-hour society and shops stay open later, research published yesterday found.

One in five of the 375 workers questioned in a survey by recruitment specialists Reed Personnel Services said their firm was taking a shorter break or no break at all this Christmas. In many organisations the Christmas break has disappeared altogether, especially in the retail and catering sectors.

"Over the last 10 years it has become more expected to have to work over Christmas," said one respondent.

Another said people were more ready to work over Christmas, to give them more flexibility with holiday allowances. Some workers escape abroad to escape the extended work and shopping spree caused by Christmas.

Others said they deserved a longer break over Christmas because they worked so hard during the rest of the year.

### ECONOMY

#### Growth in credit card use slows

Growth in spending using plastic slowed last month, figures revealed yesterday. While debit and credit card spending in October was 16 per cent up on an annual basis, at the same stage last year it was growing at almost double that rate, according to the Credit Card Research Group (CCRG).

The group said one reason for the slower growth rate is that the debit card market is approaching maturity. The decline has been sharpest for debit cards. And this year there is no sign of the seasonal spending boom.

Elizabeth Phillips, director of the CCRG, said: "It appears that the Bank of England's efforts to rein back the economy are beginning to bite, although it is too early to assess the full extent of the slowdown."

### TOURIST RATES

Australia (dollars)	2.35	Italy (lira)	2.83
Austria (schillings)	20.07	Japan (yen)	210.32
Belgium (francs)	59.00	Malta (lira)	0.62
Canada (\$)	2.33	Netherlands (guilders)	3.21
Cyprus (pounds)	0.83	Norway (kroner)	11.69
Denmark (kroner)	10.94	Portugal (escudos)	250.35
France (francs)	9.55	Spain (pesetas)	240.59
Germany (marks)	2.86	Sweden (kroner)	12.53
Greece (drachmes)	456.06	Switzerland (francs)	2.32
Hong Kong (\$)	12.66	Turkey (lira)	311.078
Ireland (pounds)	1.09	USA (\$)	1.64

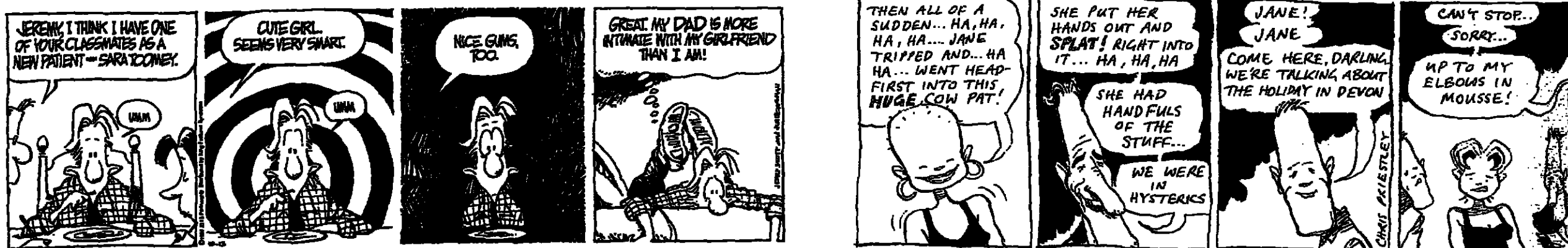
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# 3/LEADING STORIES

THE INDEPENDENT  
MONDAY  
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## IN TOMORROW'S INDEPENDENT

**New phone threat to Net users**  
NETWORK+



**Wallace and Gromit live. On stage!**  
THE EYE



**Ruthie Henshall: Chicago has made me feel sexy**  
REVELATIONS

## Magazine Woman: Sex-obsessed and irresponsible

Women's magazines are a moral vacuum where women are portrayed as sex-obsessed, selfish and superficial according to a report out today. Paul McCann, Media Correspondent, finds a traditionalist agenda behind the attack.

If you are a woman and read magazines do you recognise yourself in this description: "Today's British woman has no children, no cares, and no responsibilities. Her life is a round of indulgences, and indulgences of a distinctly tawdry kind. She rarely thinks, and when she does it is about sex. In pursuit of sex and other whims she is happy to desert a faithful and loving husband. Increasingly she enjoys drunken pranks once associated with adolescent boys. She calls this 'Girl Power'."

This is not a tract from a woman-hating, Victorian puritanical sect. It is a description of "Magazine Woman" by a right-wing think tank. Magazine Woman is an amalgam of all that is worst about modern magazines.

The Social Affairs Unit, an offshoot of the Institute of Economic Affairs, set 12 right-wing academics and journalists to reading a range of women's magazines from *Cosmopolitan* to the *Lady*. The group of six men and six women included Janet Daley a regular on Radio 4's *Moral Maze*, the journalist Anne Applebaum, the political science don Professor Kenneth Minogue, and Digby Anderson, the unit's director. They didn't like what they read.

"A diet of horrors, mixed with half-witted trivialisation of sexual matters... distorts our moral landscape, twisting it away from reality," according to one.

Like the magazines it criticises, the report gets agitated about sex: "Magazine Woman exhibits a predatory and aggressive attitude in her search for sexual conquest... there is a coarseness, savagery and voyeurism in the monotonously sexual language." The report is shocked to discover: "Men, for Magazine Woman, seem to be nothing but sex objects, to be alternately banked after, desired, scorned or ridiculed."

Worse still, magazines are having a bad effect on women's cooking skills: the short cut to the bedroom is, for example, mirrored by the short cuts in the kitchen. Here a preoccupation is with saving time and effort, even if the effort would be minimal and the time a matter of seconds. This dish is "quick", this one "easy". Unbelievably "Magazine Woman cooks largely for her own gratification, thinking little of those upon whom she inflicts her food. She is too lazy, incompetent and selfish to be a good cook" - in comparison, as the report says, to the 19th-century women.

Not all women's magazines are criticised by the report. More traditional magazine such as *Bella* and *Prima* which offer useful advice and pleasant entertainment for a lower middle-class reader who is running a home and bringing up children - "content in her role as wife, as mother" - as opposed to the other magazines which rarely mention children.

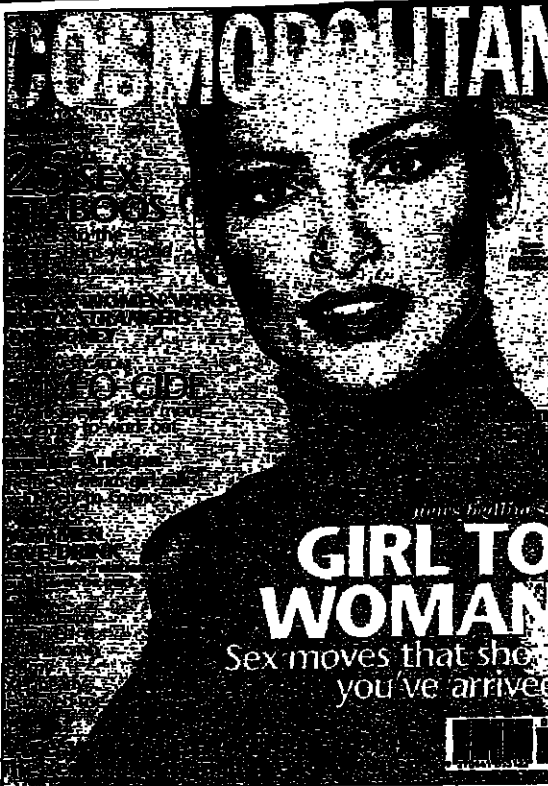
The gentlewoman's companion, the *Lady*, also comes in for praise as the most intelligent magazine and "a good read".



Fiona McIntosh, editor of *Company*, which was singled out for particular criticism by the report. "Thank God a bunch of middle-age, right-wing academics found they had nothing in common with a magazine edited for bright, fun, twentysomething women."



Marie O'Riordan, editor of *Elle*, joined the attack. "This report is so offensive it is hard to place it in any intelligent context. It just doesn't understand women's relationship with magazines. That they are a treat, they are escapism."



Mandi Norwood, editor of *Cosmopolitan*, said: "If you want to be reminded of your children or cooking, you'll buy a children-orientated practical magazine. It's ridiculous to suggest that *Cosmo* should be talking about children, husbands or cookery."

Magazines have reacted angrily to the report: "Thank God a bunch of middle-age, right-wing academics found they had nothing in common with a magazine edited for bright, fun, twentysomething women," said Fiona McIntosh, editor of *Company*, which was singled out for particular criticism. "From what little sense I can make of their fire and brimstone diatribe it seems they

most admired the *Lady*. So crocheting doilies and potting petunias is the key to a successful modern women's magazine." Marie O'Riordan, editor of *Elle*, joined the attack: "This report is so offensive it is hard to place it in any intelligent context. It just doesn't understand women's relationship with magazines. That they are a treat, they are escapism... you don't always

want to be reminded of your children." Mandi Norwood, editor of *Cosmopolitan*, was also angry at the report. "After almost 10 years in women's magazines, you get used to people using magazines as a scapegoat for every ill in society," she said. "It makes me angry when it comes from academics with no understanding of magazines and young women. It's insulting to

society as a whole; they annihilate every woman who's ever bought a magazine." She added: "If you want to be reminded of your children or cooking, you'll buy a children-orientated practical magazine. It's ridiculous to suggest that *Cosmo* should be talking about children, husbands or cookery. Frankly, I'd be concerned if dinosaurs like this did like *Cosmo*."

## Museums close to charging admission as Treasury blocks alternatives

A plan by Chris Smith to levy an extra tax on tourists to fund free entry Britain's national museums has failed. David Lister, Arts News Editor, predicts that leading museums will now urgently consider charging.

The Government will announce in the next fortnight that it is no longer committed to the principle of free admission to national museums and galleries.

The *Independent* has learned that Mr Smith, the Secretary of State for Culture, Media and Sport, has attempted to persuade the Treasury to impose a special tax on tourists arriving in Britain to fund the £40m a year necessary to stop any more national museums and art galleries imposing admission

charges. But, according to Whitehall sources, Mr Smith has lost the battle. The Treasury is fearful that any other taxes on visitors could harm the tourist trade.

It is also understood to have refused requests from Mr Smith to make VAT concessions for museums on money made from merchandising.

And so, when the government announces the conclusions of its review of charging early next month, it is almost certain to say that decisions must be left to trustees of individual institutions, and will offer no financial help at all to museums desperate to avoid charging.

The trustees of the British Museum meet on 6 December, two days after publication of the review, and could decide to impose admission charges for the first time in their history. The National Gallery and Tate Gallery are also free and had been hoping for a government

commitment to free admission. Instead, the Tate will now have to consider whether to impose charges at its new Tate Gallery of Modern Art at Bankside, due to open in 2000.

Under Mr Smith's plan the current tourist tax of £5 for travellers from the EC and £10 for others, introduced by the last government, would rise to £10 and £15 respectively. This would raise £400m extra, and just one tenth of that would have enabled the non-charging museums to continue free admission - though similar sums would be needed in future years.

With that plan turned down by the Treasury, Mr Smith's review will distance itself from a commitment to free admission, stressing instead the attractiveness of cheap season tickets for museums, with free entry being retained for children, pensioners and the unemployed. This is the system introduced

this year at the national museums and galleries on Merseyside where a £3 ticket gives entry to all institutions for year.

Key government advisers such as Lord Putnam, the film producer who sits on the cultural industries committee, are also believed to have changed their minds over the imperative of free admissions - provided children and students are exempted. They argue that people who take advantage of free admission to visit the museums frequently should pay a few pounds a year to support the institutions they love.

The Government will also urge museums and galleries to make more effort in merchandising and opening outlets both in this country and abroad.

Mark Fisher, arts minister, recently stunned a conference of museum chiefs telling them they could "learn lessons from Harvey Nichols, Marks and Spencer and Tesco".

## Yates hits out at 'scurrilous' reports linking Hutchence death to sex game

A post-mortem will be carried out today on the body of Michael Hutchence. Although shocked by the apparent suicide, his lover Paula Yates is outraged by suggestions that he died during sexual experimentation, reports Ian Burrell.

"I condemn the scurrilous and grossly irresponsible speculation and fiction trailed today that 'kinky sex' led to Michael's tragic death," said Paula Yates in a statement yesterday. "There is no evidence whatsoever to support this."

The television presenter was due to arrive in Sydney this morning, where Hutchence was found hanging by a belt from the door in his hotel room.

Because there was no suicide note, and because Mr Hutchence had recently told friends that he had "never been happier in my life", several tabloids concluded yesterday that he must have died from "kinky sex", or, specifically, the practice of auto-erotic asphyxia.

But Ms Yates's statement, which was read for her by her lawyer Anthony Burton, was supported by police sources in Sydney.

Detectives investigating the death at the Ritz-Carlton hotel found anti-depressant tablets, prescribed by a doctor, scattered on the floor along with empty



Hutchence and Yates: Couple planned to marry

bottles of alcohol. Asked about the possibility that the death may have been related to a sex game, one of the investigating team said: "We have prepared a brief for the coroner, setting out the facts and telling the sto-

ry, and from the information we have, that would be wrong. There is nothing to suggest that."

Police were waiting to speak to Ms Yates, who is with her 16-month-old daughter by Hutchence, Heavenly Hiranani Tiger Lily.

The results of a post-mortem on Mr Hutchence's body are expected today and an inquest will be held in the next few months.

Ms Yates, who has three daughters by her former husband Bob Geldof, was due to marry the INXS singer in January on the South Seas island of Bora Bora.

The tragedy follows the break-up of her marriage to Mr Geldof, and subsequent legal disputes.

Obituary, page 16

1997 'Top Direct Lender Over Two Years' - What Mortgage Magazine.

**What kind of mortgage did Watchdog recommend?**  
**The only kind we provide.**

Recently, the BBC's Watchdog programme disclosed some worrying news for many home owners.

One of the programme's main findings was that many borrowers pay more than they need to because their lenders charge interest for the whole year on the amount owed at the start of the year, rather than on the balance as it reduces with each payment.

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\*Based on a £80,000 mortgage over 25 years at a standard variable rate of 10.5% (as at 1st November 1997). Interest is calculated daily and charged monthly.†Valuation fee of £150 plus VAT.††Buildings insurance premium based on a £80,000 mortgage.†††Based on a £80,000 mortgage over 25 years at a standard variable rate of 10.5% (as at 1st November 1997). Interest is calculated daily and charged monthly.††††Based on a £80,000 mortgage over 25 years at a standard variable rate of 10.5% (as at 1st November 1997). Interest is calculated daily and charged monthly.†††††Based on a £80,000 mortgage over 25 years at a standard variable rate of 10.5% (as at 1st November 1997). Interest is calculated daily and charged monthly.

## Britain's Muslims join forces to make one voice

Representatives of more than 250 Muslim organisations met in London yesterday to launch the Muslim Council of Britain, the first umbrella organisation to represent Islam in this country.

The inauguration of the council, an independent, non-sectarian body designed to combat Islamophobia, was hailed as a milestone in the evolution of the Muslim community and its institutions which have built up in Britain over the past 30 years.

Some doubts were expressed yesterday about the viability of a single organisation representing all British Muslims, but Iqbal Sacranie, joint convenor of the UK Action Committee on Islamic Affairs, told the meeting at Brent Town Hall: "What unites us is far greater and stronger than any ethnicity, geographical origin or school of thought."

The council's aims included promoting co-operation, consensus and unity on Muslim affairs, encouraging and strength-

ening existing efforts being made for the benefit of the Muslim community, and working for a more enlightened appreciation of Islam and the eradication of forms of discrimination faced by Muslims.

The council is the result of a long period of consultation. A survey of Muslim opinion in 1994 found that 96 per cent of Britain's estimated 2 million Muslims felt a need for greater co-ordination and unity; 75 per cent felt a representative body should be formed; and 69 per cent were willing to participate in the process.

Abdul Wahid Hamid, a spokesman for the preparatory committee, said: "The aim is to highlight the fact that we are an asset to the nation and to celebrate the contribution we have made to society."

"We are also intent on sending the message that we are a mature community determined to play a full role in the future well-being of our country."

Clare Garner



The Imam calls the faithful to prayer at yesterday's launch of the Muslim Council of Britain Photograph: Kalpesh Lathigra

## Abortion dilemma for Irish court

The Dublin High Court will tomorrow be asked to block an abortion for a 13-year-old Gypsy who was allegedly raped. It follows a decision on Friday by Dublin's Children's Court to allow the girl to travel abroad for a termination, now opposed by her parents.

The case highlights Ireland's abortion-law chaos after the 1992 "X" case, and problems facing the Ahern government's planned abortion legislation.

The Children's Court heard reports indicating a termination would be in the girl's interest and evidence that she wanted this. Her parent's lawyers obtained a stay on the decision pending the High Court appeal. Until last Tuesday her father had favoured an abortion. The parents changed their minds after anti-abortion campaigners visited them. The family switched legal teams to one funded by pro-lifers.

In the 1992 "X" case a suicidal 14-year-old was barred from travelling for a termination until the Supreme Court overturned the ruling. Alan Murdoch, Dublin

## Delay fears over Tube link to Dome

The £3bn Jubilee Line extension - the main link to the Millennium Dome - is in trouble. Randeep Ramesh, Transport Correspondent, explains why reaching Greenwich might be a miserable millennium experience.

Visitors to the Millennium Dome, Britain's £700m celebration of 2000, are in for a bumpy ride. Linked to the capital by an extensive public transport network, developers have made much of the dome as a "car-free experience".

However, they had not counted on the site's main artery, the Jubilee Line extension - London Underground's most important project in 25 years - being in a mess.

Running at full capacity it could send 36 trains an hour along 16km of tunnels from Westminster to east London. Industry sources say full service is unlikely by 2000. It is, they say, unlikely to run more than 10 trains - each carrying 1,000 passengers - at peak times.

JLE managers had promised New Millennium Experience (NME) - the company charged with developing the site - that it would have no fewer than 17 trains an hour running at peak times. But it has been dogged by problems, the latest with its sophisticated signalling system.

This would mean serious

delays travelling to or from the Dome. And business says the "competitiveness of the capital as a world-class city is at stake".

A spokeswoman for the JLE said: "We have more than enough capacity to deal with the numbers expected and the trains will be fully operational."

However, the site could be choked by its own success. The exhibition is expected to attract 12 million visitors a year. As the Crystal Palace exhibition of 1851 managed 6 million people in one year and 1889's Paris exposition attracted more than 10 million, the Government's estimate for the millennium exhibit seems low.

NME is understood to be working on a figure of 15 million people in 2000 - with busy Saturdays attracting up to 100,000. Without access by car this may be difficult to cope with. The NEC in Birmingham attracts 4 million visitors a year - 3 million driving to the venue.

But can public transport cope? The Dome's Tube station - the biggest in Europe - can cope with 22,000 people. There should be 7,000 car parking spaces available and John Prescott, the Deputy Prime Minister, is expected today to announce a contract for a river bus service which will handle 6,000 people a day.

Despite this, contingency plans are being drawn up to stagger visiting times to the Dome and take the seats out of Docklands Light Railway trains to double passenger numbers on its route to Greenwich.

## Blair urged to appoint minister for youth

Tony Blair should appoint a youth minister if he is to safeguard Labour's political future, says the authors of Britain's biggest ever youth survey, 2020 Vision.

The call is said to be top of young Britain's wish list, according to the Industrial Society who canvassed the views of 10,000 people aged from 12 to 25. Jo Gardiner, director of the research, said: "Generally, young people are not keen on politicians. However the majority we talked to said they wanted someone with political power to represent their views to government because this is still the only way to change things for the better."

The Industrial Society's 12-point plan asks for a minister with cross-departmental responsibility, whose sole task would be to examine policy and estimate its impact on the young.

When in opposition, Labour gave Mo Mowlam responsibility for youth - coupled with her Northern Ireland shadow. But since the election the brief has slipped out of government.

Nicole Yeash

## Navy must get ship-shape

Fat or unfit personnel will have to shape up for fitness tests or face the sack from the Royal Navy, it emerged yesterday. All staff, from sailors to office workers, under the age of 50 will undergo compulsory annual fitness tests from early 1999.

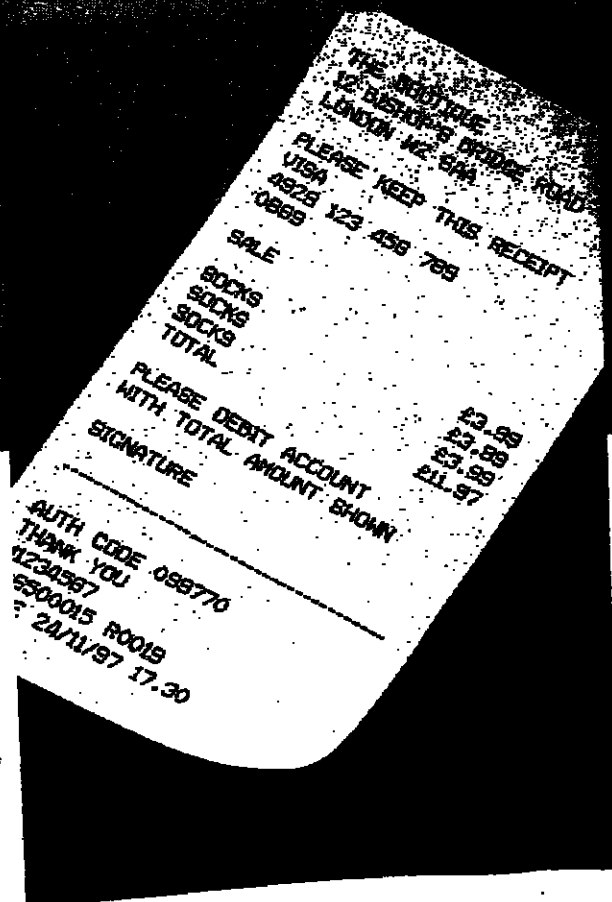
Anyone who fails to meet a minimum standard will be put on a remedial programme and re-tested a few months afterwards. Those consistently unable to slim down will be dismissed.

Ailsa McIntyre, a spokeswoman for the Royal Navy at the Ministry of Defence, said: "This new policy will provide better assurances that people can undertake operational tasks. It brings the Navy into line with the Army, RAF and Marines."

## Lottery jackpot

Thirteen ticket-holders each won £1.92m in Saturday's £25m National Lottery draw. A further 18 had five numbers plus the bonus ball, winning £185,698 each. The winning numbers were 8, 14, 24, 28, 39 and 45, with bonus number 29.

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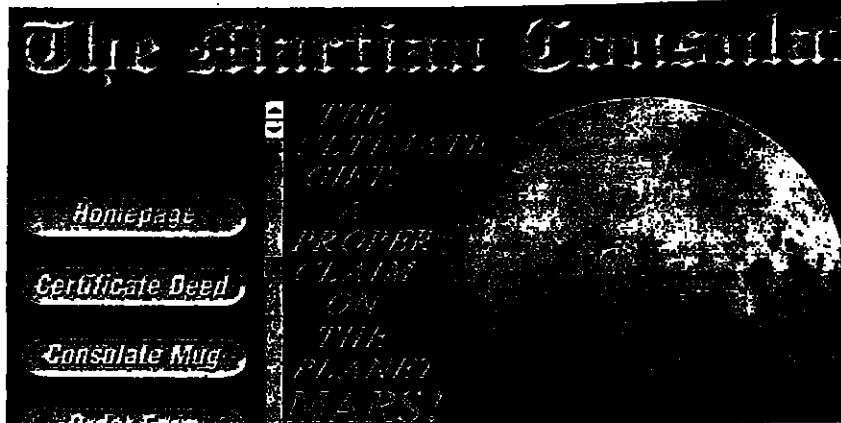
## Buying space that is out of this world

Past! Wanna buy three square miles of land for £12? Uninterrupted views, no planning permission required. But bring your own air – and a rocket; the land's on Mars, and the space-estate agents say they're doing a roaring trade ... Charles Arthur, Science Editor, Investigates.

Dennis Hope's business card reads "Head Cheese", and he and his eight employees have a very formal address: the Lunar Embassy, Rio Vista, California. If you ask nicely, he'll sell you land on the Moon. And on Mars too, if you want.

So far, he says, more than 25,000 people around the world (including Hollywood celebrities and two past US presidents – one being Ronald Reagan) have bought 2,000-acre plots of land on the two heavenly bodies from him at \$19.95 apiece.

Why is the 49-year-old Mr Hope, a former car salesman, ventriloquist and showman, doing this? Because, he says,



Heavenly bodies: Mars, as seen by the Hubble telescope (left), and (above) part of a space-estate agent's Web page offering lunar land for sale

he has the freehold: he claimed it in 1980, and though the United Nations prohibited any nation from laying claim to celestial bodies, it said nothing about individuals. Well, there was a UN decree about "no individual making profit from celestial bodies", but only five nations signed it, and the US wasn't among them. "The US said it

would ... see what public opinion was on the matter. What we're doing is developing public opinion," Mr Hope says.

Buying the land also earns you a parchment deed, Martian Bill of Rights and site map, and is the way for people to tell governments that while the meek may inherit the Earth, the quick-footed are ne-

gotiating mineral rights in the solar system. So far they have bought 15,000 square miles of Mars and 60,000 on the Moon. Of course, the sunny side is going first.

However, Mr Hope has competition – including four US-based groups, and Graham Hamilton, a 16-year-old schoolboy in Devon, who is reselling plots bought from Mr Hope via his own Website but at about 1,000 times the price – £3 per acre, though with a 20p donation per sale to Childline.

One particular rival is The Martian Consulate, allegedly based in North Wales, Pennsylvania. Mr Hope has subtly altered his Website so that anyone searching the Web for the Martian Consulate will also be offered the Lunar Embassy's earthly site.

What, though, happens when spaceships like Mars Pathfinder land? "That's on my property right now," says Mr Hope. "But ... we deem [these areas] celestial reserves so nobody can own them to charge landing fees." NASA is no doubt grateful.

One question remains: why is his official title "Head Cheese"? "Because when I was a child I was told the moon was made of cheese," he replies. Logical, really. ● Lunar Embassy: [www.lunarem.com](http://www.lunarem.com).

## Telescope will see beginning of time

European and American astronomers are planning an ambitious new space telescope that will operate beyond Mars and be able to see back almost to the beginning of time.

The "Next Generation Space Telescope", as the project is known, is intended to replace the Hubble Space Telescope when that finally reaches the end of its life in 2005.

The enormous popularity of pictures taken by Hubble of star formations and planets in our solar system means that the new telescope is sure to receive political backing – always an obstacle to such expensive projects.

The scheme is being led by the US space agency NASA, but will receive vital contributions from European scientists, and particularly British astronomers, who have an international reputation in the techniques that the new telescope will employ.

While the Hubble telescope, launched in 1991, is often thought of as being an extension of a simple optical telescope – taking pictures with light that the human eye can perceive – it has increasingly been used to picture events and objects which do not emit visible light, but give off infra-red radiation, or heat. Apparently dark patches of sky are often alive with infra-red

light from distant stars.

The Next Generation telescope would take the Hubble's abilities to their logical conclusion, and be used to study events from just a billion years after the Big Bang. At that time the early stars mostly emitted energy in the form of infra-red light.

One of the British team members, Professor Roger Davies of Durham University's astronomy department, said: "We expect to see the birth of stars and galaxies. We will witness the act of creating the very stuff we are made of."

The Hubble orbits Earth, where there is less interference from ground-based radiation, and no intervening atmosphere to distort the images from distant space. It can observe events which happened a few billion years after the Big Bang. The Next Generation telescope – which is expected to cost \$300m compared to Hubble's \$1bn – should be able to capture images of events which happened when the universe was less than a tenth of its present age.

Putting the Next Generation telescope beyond Mars would let it operate at temperatures close to absolute zero (-273C), and without interference from ground-based radiation.

— Charles Arthur

## Astronauts to rescue satellite

NASA managers were deciding last night whether to have astronauts from the Columbia shuttle attempt a risky plan to grab a tumbling, one-and-a-half-ton satellite.

Columbia's crew accidentally sent the \$10m Spartan satellite into a spin on Friday and now managers may ask astronauts Winston Scott and Takao Doi to rescue it in an already scheduled spacewalk tonight.

They have been trained in the technique for seizing satellites. But no one expected it to be spinning, so the men practised catching only a relatively still spacecraft.

Although it has been more than five years since astronauts last hauled in a satellite by hand, Scott said: "I feel pretty confident that we can pull it off and pull it off safely."

The satellite had failed to make a slow turn as expected following its release and one of the astronauts tried to latch on to the satellite again with the robot arm, the craft began tumbling an estimated 2 degrees a second – too fast for her to snag.

## DAILY POEM

### Hand-Me-Downs

by Roy Fisher

The nineteenth century of the bizarre system of dates the Christians have stands almost empty. Everybody who helped design the first of the World Wars is dead, no longer doing much to anybody; likewise most of the beguilers and settlers-up of the next. They've got clean away. And so on.

Turnips, four short rows, but enough. Potatoes, plenty. Kale. For surplus baby tomatoes, a jar with olive oil an inch deep over the fruit, then topped off with aqua vitae, to rest on the oil and guard it. And seal right. And look forward to winter. Ordinary life. "Restorable" "normal" "life" – paraffin, pepper, fingers that stroke and grip – sits in the brain like the supreme contemptuous coinage of disease, nothing more than a counter devised for murderers to bargain with.

Today's selection from the five poets who have won this year's Paul Hamlyn Foundation Awards for Artists comes from Roy Fisher's *The Dow Low Drop* (Bloodaxe, £8.95), a volume of new selected poems sampling almost 40 years of published work.

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# 6/MIDDLE EAST TURMOIL

## Britain and US spike Saddam's guns over changes to arms inspections

The UN inspectors in charge of destroying Iraq's non-conventional weapons have returned to work. But Patrick Cockburn reports that Iraq's ambassador to the UN says the crisis will erupt again if sanctions are not modified.

Iraq is seen in the Middle East to have emerged victorious in its confrontation with the US over UN weapons inspectors. But at the weekend it learnt there were limits to its apparent success. At the UN the first effort by Russia, which brokered an end to the crisis,

failed get the procedures for arms inspections changed.

In a report on Saturday to the Security Council, the 20-nation UN Special Commission on Iraq rejected the Russian proposals and reaffirmed that Iraq had violated UN resolutions requiring it to destroy strategic weapons. "If nothing is resolved because of American pressure on the council members, then in ... weeks or months, we could get back into a similar [crisis] situation," said Nizar Hamdoun, the Iraqi ambassador to the UN.

He said the UN needed to reconcile its demand to enter all military sites with its stated respect for "our [Iraq's] sovereignty ...". The US and Britain were jubilant at the re-

buff to Iraq and Russia, which failed to win the full endorsement of France and China, the other permanent members of Security Council, which are sympathetic to Baghdad's case.

Russia had wanted the commission to certify that Iraq had dismantled its nuclear programme and long-range missiles. The US and Britain want it to identify countries which sold it nuclear technology before the invasion of Kuwait. That might delay the end of sanctions for years.

Better news for President Saddam Hussein was that Tariq Aziz, Iraq's Deputy Prime Minister, and Farouk al-Shara, Syria's Foreign Minister, in the highest-level talks between their countries for 17 years,

agreed in Damascus to boost ties, which were cut when Syria supported Iran in the Iran-Iraq war, which started in 1980, and backed the Washington against Iraq in the Gulf war. Both countries countries feel threatened by the military pact between Turkey and Israel.

In Iraq, the ordinary work of the arms inspectors restarted without hindrance. Husam Mohammed Amin, Head of the Iraqi monitoring directorate, said: "Eight monitoring teams of the [UN] Special Commission started this morning for the second day their usual activities and inspected 10 sites."

Between 70 and 80 inspectors flew back to Baghdad on Friday.



On guard: An arms inspector with an Iraqi yesterday after the UN team's return to the country Photograph: Reuters

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## Israel warns of war as rockets blast village

Shia Muslim guerrillas appear to have been responsible for the slaughter of at least nine civilians in Lebanon yesterday. Robert Fisk in Beirut reveals that Israel has threatened a massive bombardment if it suffers any more serious casualties.

It was one of those bloodbaths that neither the Hizbollah nor the Amal militia ever admit to. But at 8am yesterday, a series of 25 mortar shells were fired into the tiny Shia village of Beit Leef just 10 miles from the Mediterranean coast, tearing nine of its inhabitants to pieces.

One, a little girl, was beheaded in the centre of the village, along with two women. Among the 12 wounded were four more women.

Israel, whose army occupies that part of the country in which Beit Leef lies, first blamed Amal (whose leader happens to be president of the Lebanese parliament) and then the Hizbollah guerrillas.

Amal blamed the Israelis for the slaughter while the Hizbollah remained ominously silent. Within minutes, however, the Israelis - who were almost certainly innocent of the killings - fired scores of shells into villages outside Tyre, wounding a 35-year old Lebanese woman in the village of Mansouri.

Just another Lebanese massacre, the world will probably conclude. But the consequences could be more serious. Beit Leef, which has been under Israeli occupation for 21 years, should never have been targeted. Under the terms of the south Lebanon ceasefire - agreed in April last year after Israel's bombardment of Lebanon, the so-called "Operation Grapes of Wrath", killed more 160 civilians - south Lebanese villages are supposed to be protected from all attacks. Five hundred metres from Beit Leef, however, there stands an Israeli army observation post, manned by both Israeli troops and members of Israel's proxy South Lebanon Army militia.

This was almost certainly the intended target; only hours earlier, an Israeli soldier at a neighbouring position inside Lebanon had been wounded in a guerrilla attack, ending a virtual two-week suspension of

hostilities between the Israeli army and its Lebanese enemies. The April 1996 ceasefire agreement does allow both sides to attack each other, providing civilian areas are not used as targets or launching points. But, although this has not been publicly admitted, Israel has warned that if it suffers further serious military casualties inside Lebanon, it intends to re-launch a mass bombardment of the country along the lines of last year's carnage.

The Independent has learned the plan for such an operation has been drawn up by Amnon Shahak, the Israeli chief of staff who led a 1973 raid against Palestinians in Beirut, and Yitzhak Mordechai, the Israeli Defence Minister. The approval of Prime Minister Benjamin Netanyahu would mean that Lebanon would be faced with Grapes of Wrath Part Two.

Israel's threat was conveyed to Arab governments several days ago. It followed the ambush at Aansariyeh, when an Israeli army unit who thought they would be able to ambush Hizbollah guerrillas were themselves ambushed. Twelve Israeli soldiers were killed, prompting further calls from the mothers of Israeli troops to withdraw from Lebanon. Russian diplomats had warned of an impending Israeli onslaught on Lebanon after the Aansariyeh ambush during a visit to Jerusalem by foreign minister Yevgeni Primakov.

The latest warning by Israel has been taken more seriously. An American diplomat, playing the familiar role of Israeli's messenger, is said to have travelled to Damascus and Beirut within the past fortnight to relay the threat which was, of course, passed on to the Hizbollah. The comparative lull in fighting over the past two weeks appeared to be the result. Yesterday seems to prove the mini-ceasefire is over. If the Israeli position, rather than the village, had been hit by the 25 shells, Lebanon might have been on the edge of another war. Just another weekend in southern Lebanon it may have been; but a bloody and dangerous one - and a possible precursor of things to come.

Jerusalem - Israeli leader Benjamin Netanyahu's closest political adviser, Avigdor Lieberman, resigned yesterday, the first casualty of a mutiny against the prime minister within his own party.

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## McGuinness stands by IRA pledge of peace

The Northern Ireland Secretary Mo Mowlam says the area is edging toward normality. But David McGuinness, Ireland Correspondent, finds uncertainties and worries persist over the peace process and divisions within the IRA

As the Government confirmed yesterday that Gerry Adams had been invited to Downing Street, Sinn Féin said last night that the IRA was "absolutely committed" to its peace strategy.

Mr Adams was rallying support for his leadership at a mass meeting in Belfast last night. Meanwhile, his party's chief strategist, Martin McGuinness, admitted that recent resignations from the IRA and Sinn Féin were "disappointing".

But he said: "I believe that the IRA are absolutely committed to their peace strategy. They obviously have indicated on a number of occasions over recent years that they too want to contribute to bringing about real negotiations to tackle all of the very difficult issues at the very heart of the conflict."

He told BBC 1's *Breakfast With Fraser*: "I think all informed opinion here in Ireland would disagree that there is a split within the IRA."

Recent resignations were disappointing and did "create difficulties," he said. "But I think that all of us in political leadership recognise that the road to bring about a peace settlement is going to be a rocky, bumpy one."

"There are going to be difficulties and there are going to be problems. But we are absolutely committed to overcoming those difficulties."

He was speaking after renewed speculation of dissent in republican ranks. It has emerged that Bernadette Sands, the sister of IRA hunger striker Bobby Sands, may have declared herself the unofficial leader of a renegade faction of IRA members.

Mr McGuinness's comments echo the private predictions of senior republicans who say they do not believe large-scale resignations or breakaways are on the cards. At the same time, republicans say there is a distinct undercurrent of disillusionment among their supporters.

They say this stems from two main concerns. The first is the evident lack of movement within the Stormont multi-party talks, while the second is the allegedly tardy pace of the authorities in scaling down security force activities in the light of the IRA's July ceasefire.

The first reduction in troop levels since July took place over the last few days, with 250 paratroopers moving to England.

Dr Mowlam, confirming that Mr Adams was to visit the prime minister at 10 Downing Street, said at the weekend that army patrols were down by 35 per cent overall, adding: "If we don't treat them as if they are serious you are making it much more likely that they will go back to violence."

"Northern Ireland is edging towards normality. While we cannot let down our guard against splinter group violence, operational steps to match the reduced threat are and will continue to be taken."



Talking point Eddie Izzard arriving yesterday to address the Labour fringe meeting in Eastbourne

Photograph: Andrew Haddon

## Izzard gets serious over the 'New Europeans'

Eddie Izzard is getting political. Seriously. Yesterday he performed live at a fringe meeting at the Labour Party's European Conference in Eastbourne.

Clare Gerner watched his debut performance on the platform.

Here was someone the people would vote for: Britain's first PVC-clad politician - in daylight hours at least. But Eddie Izzard was not in Eastbourne as a politician - nor as a stand-up comedian - but as a "New European".

The tired grey curtains in the Sussex Suite of the Cavendish Hotel provided a backdrop diametrically opposed to Izzard's own spandax and set and his audience was entirely sober, but that did not hinder his performance in the least. He was clearly nervous before he spoke, nibbling at his burgundy-painted nails as he sat

beside Carol Tongue, MEP for London East, and said afterwards that he had not expected to raise a laugh. He need not have worried. He only had to open his mouth and the audience was his.

"I'm not a lesbian trapped in a man's body. I'm happily cohabiting," he began. "That's sexuality, which isn't really the agenda here," he added, signalling that he might just get serious. So passionate is he about Europe that he had sacrificed his day off to drive down from Sunderland, where he had performed the previous night, to speak about the delights of cross-European fertilisation.

To Izzard, being European means "driving around in Greece or Spain on a motor bike with no helmet on."

He expanded the driving metaphor to explain what he hates about the post-colonial British attitude. We lack "get up and go", he said. "We've got to go in there and start driving the bloody car rather than hanging out the back like

the tin cans on a marriage car." Izzard knows Eastbourne well. He went to school there, where he struggled with O-level French.

Now he has got a handle on the language, so much so that he is able to do stand-up performances in Paris which are 95 per cent in French.

"I can make French people laugh. In French. I've done French gags. That's crazy. I never thought I could do that." He had little patience with the way Britons shy away from learning other languages. They just won't risk the potential humiliation and embarrassment, but "that is the growing process."

Sadly, he does not see himself as a potential candidate. Telling gags in other languages is a far as far as he is prepared to go in making political statements.

Or is it? Was yesterday's speech not the first of many? "The first of - maybe one more," he replied, fluttering his eye lashes and smiling tantalisingly.

## Ticket funds slip past Labour ban

Overseas defence companies have been making indirect donations to Labour, in spite of Tony Blair's ban on foreign finance for the party. Anthony Bevis, Political Editor, examines a grey area.

Substantial subscriptions made to the Labour Party by the UK Defence Forum last year have been listed in Labour's "financial results" as donations from Robin Ashby, the man who created the forum as a means of generating contact between defence manufacturers and Whitehall.

But it emerged yesterday that some of the money donated to Labour through the Forum, to buy tickets for fund-raising events, has come directly from overseas defence firms, despite the foreign funding ban.

Among companies that back the Defence Forum are Lockheed-Martin, Boeing and the French-controlled firms, Thomson CSF UK, and Trimarine.

Under legislation to be published by Jack Straw, the Home Secretary, foreign finance is to be banned for all parties, and Labour's manifesto said: "The Conservatives are afflicted by sleaze and prosper from secret funds from foreign supporters."

There is no suggestion that Labour has been funded on the scale that is being alleged for the Tories. A Commons motion is urging Sir Patrick Neill QC, chairman of the Committee on Standards in Public Life, to invite Ronald Walker, an overseas treasurer for the Conservative Party, to give evidence to the inquiry into party funding, following claims that he raised up to £20m in the run-up to the last election. William Hague has nominated him for a knighthood.

A Labour party spokesman told *The Independent*: "We have to differentiate between somebody making a direct donation and somebody buying a ticket for a fund-raising event and passing it on. Also, they may be foreign-based companies, but they could still have significant British interests."

As for the £1m offered by Robert Earl, of Planet Hollywood, to bail Labour out of its problem with Bernie Ecclestone's £1m donation for Formula One, the fact that he lives in Florida created no problem because he was a British voter, the spokesman said. Asked if Mr Earl was registered, the spokesman added: "I assume we wouldn't have taken the money, if he wasn't."

Robert Earl's planet, The Eye

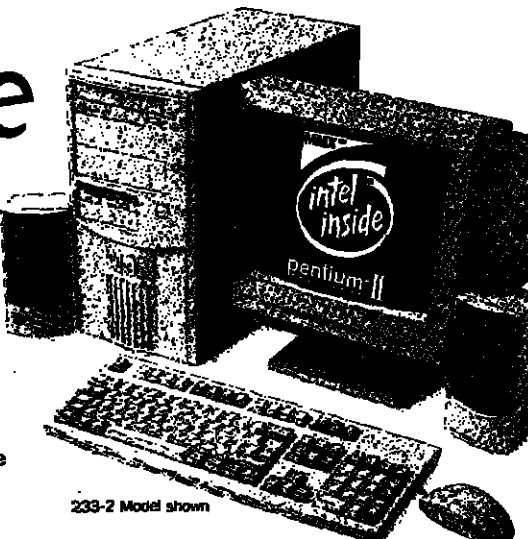
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## Brown keeps sights on next election as he lays out tough spending plans

Tough spending plans will give the Government leeway for extra spending closer to the next election. Diane Coyle, Economics Editor, reports on new Treasury rules for fiscal policy.

In his "pre-Budget" statement to MPs tomorrow, Gordon Brown will set out plans for a new code for public sector finances. It is intended to create the same kind of caution and stability in tax and spending policy that the Bank of England's new independence has established in interest rate policy.

The document will set out

the Chancellor's analysis of the changes needed to create a fair tax system, modernise the welfare state, get people back to work and make the economy more competitive. Mr Brown is likely to reaffirm his commitment to a 10p starting rate of income tax, to make sure work pays for those on low incomes.

The publication contains a full chapter on the jobs market. There will be limited progress reports on some of the task-forces set up to reform the tax system, such as the one on tax and benefit integration.

The Chancellor is also expected to confirm that the tax system will be increasingly geared towards discouraging pollution, perhaps through additional car taxes. In addition,

he will set out ideas on how to reshape corporate taxes in order to boost incentives for investment. However, aides stress the consultative document will concentrate on principles and will not contain enough detail for anybody to engage in tax avoidance now, four months ahead of the Budget in March.

An accompanying paper spells out the intention to build in a margin for error in plans for the public finances. Targets for government borrowing will take explicit account of the state of the economic cycle.

This means that a boom which automatically reduces the need to borrow cannot be used as an excuse for relaxing a tough policy. Future Budgets will always include estimates of

how much changes in the public sector borrowing requirement are simply due to the state of the economy. The move is in line with the Chancellor's intention to avoid the extremes of boom and bust which have long afflicted the British economy.

A Treasury adviser said: "The mistake Labour Governments have made in the past is erring on the side of optimism in the first two years and having to retrench later in the parliament." The new policy was actually put into practice in the July Budget. Mr Brown then forecast a borrowing requirement of just under £11bn this year. Tomorrow he is expected to reduce this target by at least £1bn thanks to strict spending control and higher tax revenues.

## Lower minimum wage for trainees

Unions and employers were in general agreement that trainees should receive a lower minimum wage than others, Professor George Bain, chairman of the Low Pay Commission, said yesterday.

He also confirmed the line put out by Peter Mandelson during the Labour Party conference, that under-25s could be exempted from minimum wage protection, but he said there was no question of the commission considering regional differentials in the rate of minimum wage.

"That is ruled out," he told BBC television's *Breakfast With Frost*.

"We have to have a national rate, and, as one goes around the country, there's actually quite a lot of agreement on this."

John Monks, the TUC general secretary, told Sunday with Adam Boulton on

Sky News: "I think the only serious runner as an exemption is the under-25s."

He believed there was no question of ministers accepting a regional differential, or different rates for different industries.

"I think we've won the argument not to have sectoral or regional exclusions," Mr Monks said. "On the under-25s, I think there's still a long way to go."

After Tony Blair had again urged the voters to "keep faith" with his government, ministers yesterday rallied to drive home the message that the Government would stick to its pledges.

The Prime Minister said in an interview with the *Observer*: "It is cynical rubbish to suggest that we are going back on our promises."

"We are not going back on a single promise, not a single promise."

— Anthony Bevis

## Tory warns Hague of electoral suicide

William Hague was warned yesterday that the Conservatives would lose the next election if they stuck to their current Eurosceptic line.

David Curry, who resigned from the Shadow Cabinet over his leader's hostility to the single currency, told *Alastair Stewart* on GMTV's *Sunday Programme*: "You can appeal to the hard Tory vote, which is probably fairly Eurosceptic in its views. If you do that, no doubt you will consolidate that. But what you won't do is win an election, because every party has got to reach out beyond the core of its active committed members into ... the middle ground if it wishes to win elections."

Peter Temple-Morris, the pro-Europe MP who quit the Tory party last week, added to Mr Hague's woes, stating yesterday that he will support Tony Blair's policies in the Commons - although he will for the moment remain independent.

Mr Temple-Morris, who will sit alongside Labour back-

benchers in the House, said he was "very sympathetic" to the Prime Minister and wants to be "part of the action".

Despite Jack Straw, the Home Secretary, telling constituency Labour Party members in Blackburn that the Conservative Party was "on the verge of an irrevocable split which threatens to keep it out of government for a generation", Mr Hague's line received a fulsome endorsement from John Redwood, the shadow Trade and Industry spokesman.

He told BBC television's *On the Record* that Mr Hague's line on Europe was a complete success. "I think he will exert a lot of influence over the party because he is clear and straightforward on these issues and he speaks for the overwhelming majority of party in the country," he said.

"They were aching for clarity on this European issue and they are extremely grateful and pleased that they now have a leader who is delivering it."



# ALL THOSE IN FAVOUR OF BANNING FOX HUNTING RAISE YOUR HANDS.



PHOTO: LEAGUE AGAINST CRUEL SPORTS LTD.

For once, the fox has a chance. On November 28th MPs vote on Michael Foster's Private Member's Bill to ban hunting with dogs. As 73% of the British public support a ban (MORI), we trust MPs of all parties will raise their hands. Or lower their heads.



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# 10/CHINA FOR SALE

## Going cheap: Peking dumps the people's business flops



Hard times: In newly privatised industries, workers will not be protected by the old social welfare commitments. Photograph: Brad Rickerby/Sipa Press

Searching for that unique Christmas present for the person who has everything? Look no further. Newly available this week is the first batch of ailing state-owned enterprises in the Chinese capital. Our Peking correspondent went shopping.

At the spick new offices of the Peking Property Rights Transaction Service Centre, the world's biggest privatisation programme is under way. Yan Peijun can tempt you with anything from a soy sauce factory to a manufacturer of ethyl cyanacetate, or a children's clothes production line. His sales pitch is honest to

the point of bluntness: "The enterprises on sale are loss-making and the production conditions are very bad."

Roll up for China's fire sale. Foreign buyers very welcome. The Peking municipality is not so much putting the family silver on offer as running a down-market car boot sale. In all, 56 not very viable small and medium-sized enterprises have been put up for grabs, part of the brave new world of "Socialism with Chinese characteristics".

Mr Yan, a smartly-dressed 39-year-old, is one of the organisers. He himself has never had the misfortune to work for a state-owned enterprise, and used to help companies register new firms. "My friends joke that I used to help in the birth of businesses; but now I am in charge of the funerals," he says.

Since the 15th Communist Party Congress in September gave the "downsizing" and sale of many of China's 300,000 state firms the green light, it has become a buyers' market as local governments try to offload all their debt-ridden, decrepit factories. Could Mr Yan point me in the direction of one of the cheaper enterprises on offer in Peking? How about a cloth-shoe

if you buy any of these enterprises, there won't be any workers."

If I then wanted to re-hire staff, this could be done according to new contracts, free of the "iron rice bowl" social welfare commitments of Old China.

In the state sector, at least half of the enterprises are loss-making and tens of millions of jobs are at stake.

In the more freewheeling parts of China, privatisation has been going on quietly for the past few years. Shanghai saw some 300 "property rights transfers" in the first half of this year, with a total value of 5.3 billion yuan (£400m).

But the offering is the first such sale in Peking. It was launched last week in the ballroom of a Peking hotel (where 170 potential buyers (including just one foreign businessman) had bought £15 tickets to watch the video presentations on the factories, each identified by a code but not at this stage by name. It was a dismal testament to the industrial prowess of Old China. Near-derelect buildings were shown with rows of idle machinery. There were broken windows and disused car

BY TERESA POOLE

parks. Twenty-two of the enterprises on offer were, just disused shells; those which are still manufacturing could no longer compete in the market economy.

The 56 factories have been put up for sale by four county governments in the suburbs of Peking. Would-be purchasers who are seriously interested must now cough up 2,000 yuan (£150) for more detailed information, including the exact name and address of the plant and the full financial picture. Site visits will follow. If more than one buyer bids for any site, it will be sold by auction.

The eyes of most of the for-cigners, however, have been drawn to Lot 97MA0275. In the English translation of the enterprises on offer, factory 30 miles from Peking is said to be producing "adhesive tapes and dopes", though without the £150 information fee, what that factory makes remains a mystery.

## Souvenirs of empire lure Chinese buyers

Most remnants of the colonial era have been sold off by the Hong Kong government. But one last big house-clearing auction is still under way, and the large crowds show many still hanker for even the smallest scraps of an era that ended just five months ago.

Buyers can bid for Lot 828, a modest dining service "badged with HK & Crown". It includes such items as "dish pie, 165mm" and "jug tankard, 160ml", not to mention a "cup egg" with the crown inscribed in the centre.

The 127-page auction catalogue shows the departing Brits were not only obsessive about putting their mark on crockery, but have also left behind a great many portraits of the Royal Family. These are expected to be hot items.

Royal portraits have been removed from postage stamps since the handover, and those in circulation have lost their validity. Hence many of the sale lots consist of what the catalogue calls "unusable revenue stamps".

Seats for the two-day auction were allocated long ago. The demand was so great that many bidders who could not be accommodated had to submit sealed bids, containing full payment for the items they want. They will get the money back if

they are not successful, but the government is cashing the cheques meanwhile and earning a tidy sum in interest.

Several earlier, enthusiastically attended, auctions were thought to have marked the end of the clean-out, but as remnants continue to crop up, enthusiasm for them seems to be growing. Some of the keenest buyers come from the Chinese mainland, where people have made a beeline for red letter boxes and Union flags.

Hong Kong's old red letter boxes have been replaced by gaudy green and purple ones; the crown insignia have given way to the drab emblem of the Special Administrative Region of Hong Kong, the bauhinia flower, the region's new symbol. But in an entrepreneurial spirit, manufacturers have taken to making new/old artefacts, such as Union flags, cards with portraits of past governors, and "old" road signs.

However, the most surprising vestige of British rule belongs to the People's Liberation Army, which occupies the former British military sites. Its headquarters are still dominated by a building called the Prince of Wales Barracks. No doubt one will be able to buy that sign in the near future.

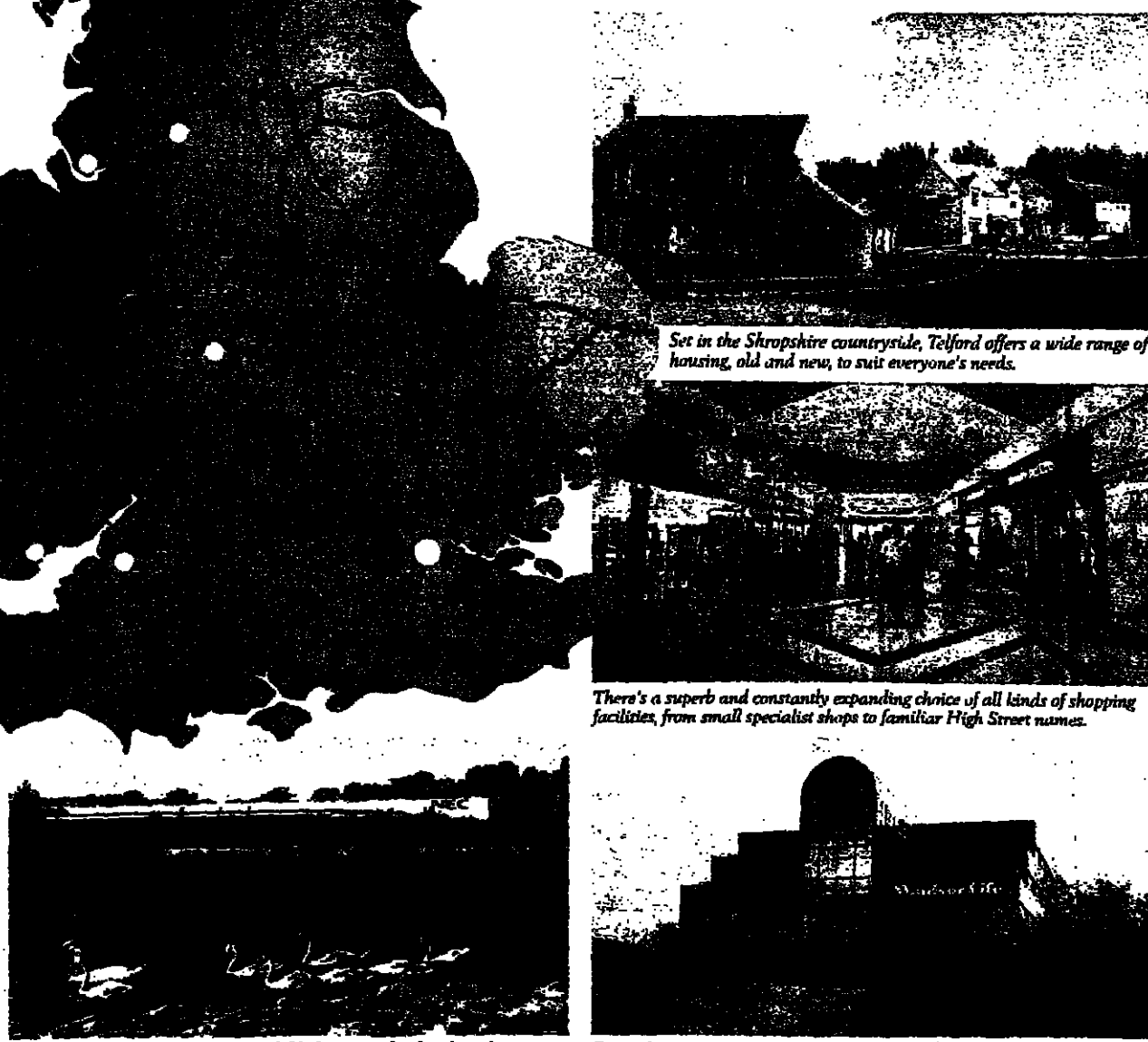
— Stephen Vines, Hong Kong

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Grin business: Diana Hayden, of India, who was crowned Miss World on Saturday in the Seychelles, which is keen to offer a permanent home to the event. Photograph: AP

## Miss World finds a politically correct place in the sun

The Seychelles may offer the battered Miss World contest a permanent refuge from its increasingly raucous critics. The condition is that the pageant 'reinvents' itself. Mary Braid asks if injecting a dose of feminist values is really the solution

As international pariahs go, the Miss World Contest was once almost on a par with the deposed and equally appearance-conscious African dictator Mobutu Sese Seko (he of the fetching leopard-skin hat). An embarrassing relic from the Cold War years, Mobutu, stripped of his Western backers, seemed destined to wander the globe before a merciful death earlier this year.

Miss World, similarly forsaken by the increasingly feminist-influenced West, to say nothing of religious fundamentalists, is suddenly faring better. After years of looking for a place to call home—it was chased out of the Albert Hall by protesters—Miss World appears to have found a permanent venue in the Seychelles, in the Indian Ocean.

The contest, run by Eric and Julia Morley, the husband-and-wife team who have provided so much unintentional entertainment, are negotiating a deal with the Seychelles,



Backlash: Protesters in India last year with posters reading 'What is a beauty contest?'

where the competition was staged on Saturday. If the talks are successful the Morleys will wander no more. Whether that will save the world's most controversial cattle-market is another matter. As 'the girls' sashayed their way through Saturday night, the Seychelles was insisting the contest—which caused a protester to burn himself alive last year when it was staged in the Indian city of Bangalore—would be reinvented.

This has been heard before. The Morleys have tried all the

tricks to dissuade the critics the modern beauty contest is all about... well, looks. The glorious fib has been plied that the beauty that really counts comes from within and that the numbers that matter are a girl's IQ and not 36-24-36.

When Miss India, Diana Hayden, was crowned Miss World this weekend she felt obliged to quote WB Yeats and insist: 'I just read a lot'. The contest's intellectuals, however, must have been disappointed that while physical beauty was on permanent dis-

play, the old brief conversational section, in which 'the girls' get a few minutes to solve global conflict, the greenhouse effect and famine, was axed.

The official reason was that it discriminated against those who were not English-speaking. The cynical and, no doubt, the jealous, whisper that contestants find it difficult to talk at all.

The Seychelles' new idea, according to the President, Albert René, is to 'reinvent' Miss World as a celebration of woman and what she can do for

children. A government spokesman said he hoped the event would boost the image of Seychelles not only as a tourist destination but as a country interested in 'the environment, children and welfare'.

But it is not clear the Morleys are on the right track when they insist the new Miss World will be about everything but looks. Not everyone in the world is as sensitive as the 2,000 demonstrators arrested at the event in Bangalore last year.

When the Miss South Africa contest was held at Sun City this year the ruling ANC's leading lights—all men, of course, but with impeccable left-wing liberation credentials—were fighting each other for front-row seats. President Nelson Mandela, who at 79 retains an eye for such events, seemed to revel in his annual photo-opportunity with the winner.

This weekend Mr René, a left-winger, was also happy to sit in the front row, only driven, it must be assumed, by his belief that the contest will put the Seychelles on the international tourist map.

This year's Miss World was one of the most trouble-free for years. Next year the protesters may regroup and do their bit to make the Seychelles a popular November holiday destination. But the Morleys will plod on.

There is no sign yet suggest Miss World is not yet ready to join the reviled Mobutu.

## Family fears for British aid worker seized in Somalia

The family of a British aid worker kidnapped in the self-declared independent Republic of Somaliland were anxiously waiting for news of him yesterday as United Nations officials worked to secure his release.

Dennis Cassidy, 49, works for the European Union's Somalia Unit. He was kidnapped last week with two Kenyans, an Indian and a Canadian, all of whom worked for the UN.

Somaliland officials said that the workers were on a mission to halt the destruction of local trees, which are cut down and used to make charcoal.

It is suspected that they were kidnapped because they were thought to be carrying money to buy off the charcoal-makers.

The five were thought to have been taken at El Ayo, on the Gulf of Aden in the north-east corner of Somaliland, a region of Somalia which declared its independence from the south in 1991.

It was not known if they had been hurt. 'The UN is not going to say anything because it is an ongoing hostage situation,' a UN spokesman said.

The area has been relatively peaceful since declaring its independence. However, elsewhere in Somalia, aid workers frequently have been the target of the warring factions that have been vying for control of the country since a 1991 coup ousted president Siad Barre and left the country without any central government.

## West fears Karadzic triumph in Bosnian Serb election

Bosnia's poll organisers said they hoped parliamentary elections in Bosnian Serb territory would resolve a bitter power struggle between rival leaders.

President Biljana Plavsic, who is backed by the West, and hardline Serb nationalists loyal to the UN-indicted war criminal Radovan Karadzic are struggling for control of the part of Bosnia left in Serb hands after the country's 1992-95 war.

Robert Frowick, the US diplomat who leads the election

supervisory effort in Bosnia, said he expected the turnout to be 'well over 50 per cent' of the 1.1 million registered voters.

A victory for the hardliners would deliver a humiliating blow to the US-led diplomatic drive to alter the political landscape in Serb territory. It would also allow the hardliners to flout the West's failure to extradite Karadzic to The Hague to stand trial before the UN war crimes tribunal.

— Reuters, Banja Luka

## Daughter helped father kill family

The daughter of a Belgian priest has allegedly confessed to helping him kill four relatives, including her two brothers, dismember the bodies and dump them in bags outside a slaughterhouse, the Brussels Public Prosecutor's Office said. Agnes Pandey said they shot or battered the victims and used acid baths to dissolve some of the corpses. Andras Pandey, 70, has been charged with murdering his two former wives and four of his eight children.

## Fascist salute

Thousands of people sang fascist songs and listened to anti-democracy speeches at a memorial rally on the 22nd anniversary of the death of General Francisco Franco. They made raised-armed fascist salutes and sang the fascist anthem 'Face to the Sun,' associated with Franco's 1939-1975 dictatorship, after speeches by extreme-right political leaders. Franco died aged 82 in 1975. His followers hold their main annual gathering on the Sunday closest to the anniversary.

## Algeria slaughter

Gunmen cut the throats of six foreigners, apparently Asians, and dumped their bodies in the sewage system in Algiers, a newspaper said. The bodies were found near a beach in Bab el Oued, a Muslim fundamentalist district.

## Slovenia votes

Slovenia voted in the second presidential election since it broke from former Yugoslavia in 1991. President Milan Kucan was expected to win a second five-year term. He has been credited for Slovenia's comparatively painless break from Yugoslavia.

## Greece at last honours forgotten Jews

The Greek city once known as the Jerusalem of the Balkans has at last honoured the thousands of Jews who perished in the Second World War. The delay of half a century is not the result of amnesia but reflects the twists and turns of Greece's foreign policy

After waiting more than half a century, Holocaust survivors gathered yesterday in Salonica, the city once called the 'Jerusalem of the Balkans', to unveil a monument to tens of thousands of friends, relatives and neighbours killed in Nazi death camps.

'Better late than never,' said Amir Mois, 85, one of the estimated 40 camp survivors who are still alive in Greece, a remnant of a Jewish community that traces its roots in the city back 2,500 years.

The Greek government last year approved the monument to the nearly 50,000 Jews of Salonica killed during the Nazi occupation of Greece. More than 17,000 Jews from other parts of Greece also died in the camps and today there are fewer than 5,000 Jews left in Greece, and only about 1,000 Jews in Salonica.

People wept and placed flowers on the Holocaust monument, a 10ft-high bronze menorah in a central square where Jews were rounded up



A Greek Jewish woman crying by the Holocaust memorial in Salonica. Photograph: Reuters

before being shipped to concentration camps. The design resembles a group of people reaching up as they are burned in the death-camp fires.

Some Jewish leaders complained of the long delay in a government-backed memorial, which the Jewish community first requested 43 years ago.

'There was a great delay, but now is not the time to analyse the reasons why,' said the Greek foreign minister, Theodoros Pangalos, who was among 400 or so officials and Holocaust survivors at the ceremony.

Some Jewish leaders believe the memorial was held up for decades by the Greek Orthodox

Church, the officially recognised religion, and by the policies of successive governments towards Israel. Greece, which for decades has had warm ties with Arab states, only recognised Israel in the early Nineties.

Evangelos Venizelos, the culture minister, said the monument healed misunderstandings which had 'unjustly and badly harmed the credibility of the country'.

The Jewish community in Greece dates back at least to the sixth century BC. Many arrived in Salonica during the 15th century from Spain to escape the Inquisition. Salonica blossomed as a centre for Balkan

Jews at the start of the 20th century, when the community made up half the population of about 150,000.

'It is no coincidence that the city came to be named the 'Jerusalem of the Balkans',' said Israel's health minister, Yehoshua Marza, who said he can trace part of his family to northern Greece.

During the occupation, Nazi occupiers eradicated almost all of Salonica's Jewish heritage. The Jewish cemetery was ploughed under and destroyed, and the city's university was built later on the site. Only two synagogues remain.

— Reuters

From America

# Advil

Advanced  
medicine for pain

Nothing is proven to  
work better for headaches

Contains Naproxen. Always read the label.

It was a risky – not to say risqué – decision to open a shop selling naughty undies, but it worked for Joe Corre and Serena Rees. And Agent Provocateur has proved so popular, says Melanie Rickey, that a new store is about to open in Knightsbridge. A little more sophisticated, maybe. But just as saucy.

When Agent Provocateur first opened in December 1994, Joe Corre and Serena Rees had achieved just part of a much bigger dream. "We initially wanted to open an erotic department store," says Corre, "and lingerie would have been only a small part of it; there would have been furniture, books, clothes, art..." "And a bar. We had the licence, the premises, everything was ready to go," interrupts Rees, "but we were gazumped."

The big idea became a smaller and more realistic one. Why not sell saucy undies with a sense of humour? Why hide sex behind closed doors? Indeed, why not just put it in the window for all to see. At first people gawped at the shop's window display which featured tousle-haired mannequins in various states of undress, each posing provocatively across a velvet chaise-longue. Then as the press caught wind that Joe Corre was the son of Vivienne Westwood and Malcolm McLaren, tentatively, at first, the customers began to come in. And a year later, thanks to huge press interest and the growing fashion for underwear as outerwear, sheer clothes and prettiness, they had to queue.

Inside the tiny shop was sexy lingerie sold in a way that was fun and giggle-behind-the-hand naughty. It was intentionally seedy, and although the shop did attract its fair share of voyeurs, these were Nineties voyeurs: young women, men, (some dressed in Macs), transvestites, celebrities and fashion junkies for whom suspenders, corsets, quarter-cup bras and marabou feather mules in all colours of the rainbow, were cool.

Corre is very serious about erotica. His home is a palace to it, his mum and dad were modern-day pioneers of it, and he has never shied away from explaining why he loves it. "I grew up with erotica around so I suppose it was normal to me," he says. His interest is certainly not contrived, it's genuine. Ask him if he saw a gap in the market for Agent Provocateur and he'll tell you it's not about marketing, not at all. In fact, he finds the whole business of marketing totally devoid of interest. "Why do what everyone else is doing? Everything that is marketed is boring. It's all the same. I'm only interested in what is sexy."

For "sexy" read Fifties pin-up, Lolita, Dominatrix, Las Vegas showgirl, Swedish au pair, Hot Gossip, Benny Hill's Angels, even Carry On Films. In fact every sexual stereotype invented this century has been recreated by Corre and his girlfriend and business partner Rees, through the underwear and erotic accessories they sell.

One year after its opening, Agent Provocateur had become not just the shop of the moment but a barometer of the times. In 1992 the world had been singing along to Madonna's single "Erotica"; in 1995 people had the chance to live it, at least in an abstract way. It became fashionable to talk about liking saucy undies. Instead of boasting "I buy three packs of white cotton G-strings from M&S", women would admit with a shy giggle, "It keeps me sane to know I'm wearing a sheer tulle pistachio knickers, bra and suspender set under my business suit." Both Corre and Rees are pleased with this change, which is even more evident now. As Corre says, "There should be no guilt attached to small pleasures. It's no big deal."

Corre's interest in small pleasures has created a successful business that continues to grow. Initially the shop sold English, French and Italian lingerie labels, and original Fifties underwear, but the need for a distinctive Agent Provocateur look culminated in the launch of their own-label underwear in spring 1995, which now accounts for 80 per cent of sales. There is also the jewellery range Precieux, co-designed

with Erickson Beamon; themed raunchy bikinis; and the newly launched High Heel Heaven shoes. Last Christmas a mail-order catalogue was introduced, which so far has made in excess of £120,000 in national and worldwide sales. A version of their Soho shop has even popped up with in the Fiorucci store in Milan, and at Bon Marché in Paris. "It just about works," says Corre, "but to really appreciate what we do you've got to experience it in the environment we create."

Next week there will be a completely new Agent Provocateur environment to experience as Corre and Rees open their second shop a stone's throw away from Sloane Street in Knightsbridge. Today it is still a building site, but next Monday it will be a boudoir par excellence. The Soho store is darkened and intentionally seedy looking. Knightsbridge, in contrast, will be bright, airy, precious and decorated in the style of 18th-century French boudoirs with pale green walls and chinoiserie motifs. The windows will feature scantily clad Geisha girl mannequins, which will un-

doubtedly attract attention as this shop is surrounded by far more respectable establishments than the Soho branch that is hemmed in by strip joints and sex shops.

For Corre and Rees this is a big, but necessary step. Their pet name for the new shop may be "Knickers to Knightsbridge", but the ready-made clientele among the Knightsbridge set who rarely leave SW1 to flex their gold cards will pounce on it with glee. Downstairs an extra-special boudoir room will be fully kitted out for VIP clients,

of which there are many, ranging from supermodels to rock stars – "So we can give them privacy," says Rees.

Personal service is very much part of the deal at Agent Provocateur; customers, a 50:50 ratio of men and women who shop as couples, or individually, are encouraged to take as long as they require to choose and try on underwear. "Some can stay for two hours," continues Rees, "but we don't mind."

Last year the couple experienced their only major set-back when they launched a beauty contest to find Miss Agent Provocateur. "She was supposed to be curvy, sexy, bubbly, fun, and clever."

But," admits Rees, "the winner was a total disaster, only out for herself." Rees now thinks Miss Agent Provocateur doesn't really exist. "Maybe in the boudoir, or maybe she's inside every woman." Who knows. "But it was a great excuse for a party," says Corre, with a twinkle in his eye, as he and Rees head off to check that the builders have finished their parquet floor.

Agent Provocateur opens its second shop on 1 December at 16 Port Street, London SW1 (0171-235 0229).

The original store is at 6 Broadwick Street, London W1 (0171-439 0229). For mail-order enquiries call 0171-287 5001.

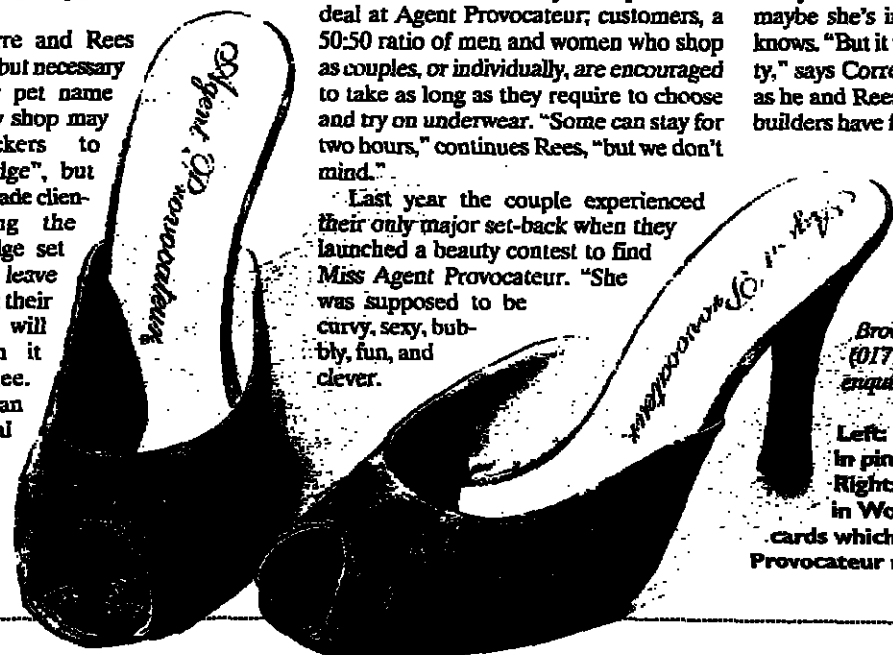
Left: leopard mules, available in pink or brown, £95. Right: selection of the Alice in Wonderland-style playing cards which make up the Agent Provocateur mail-order catalogue



Joe Corre and Serena Rees in the building site that will become their second boudoir-style lingerie emporium next week

Nicola Kurtz

## For the Swedish au pair, Dominatrix, Fifties pin-up and Lolita inside us all



### FASHION MOMENT

Fashion moments come in all shapes and sizes. This one features Chris Bailey, the strapping 6ft2in tall designer and head honcho of Jigsaw for Men at a party to celebrate the opening of his newest London store on Brook Street. Bailey was enjoying a chinwag with Juergen Teller, the diminutive fashion photographer responsible for the current Jigsaw Menswear advertising campaign. It seems they may have been sharing a laugh about the new campaign which features stuntmen falling headlong down stairs and jumping off buildings: in response to one picture which featured a burning jacket, Bailey received calls from people asking, "Does this mean Jigsaw say the jacket is dead for men?" Now that is a laugh.

Melanie Rickey

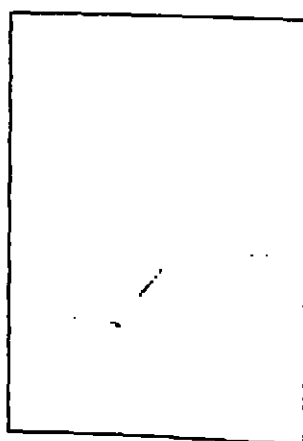


### TOP THREE LUXURY TIGHTS



This season it seems surface decoration is the key. Plain, well, is just plain boring. So why not splash out on these black opaque tights (far right) with white floral embroidery, £370, and wear them with a beaded, sequin dress. The tights are by Dolce & Gabbana, 175 Sloane Street, London SW1, 0171-235 0335.

Not quite as daring to look at as those from D&G, but these cashmere and silk-mix tights (right), £105, by Wolford feel sensational against the skin... and they sure are warm. Available in ecru, camel and dark grey from the Wolford Shop, South Molton Street, London W1; 10 Margan Arcade, Cardiff; 11 Eldon Gardens, Newcastle; 28 Gordon Street, Glasgow; 1 Great Western Arcade, Birmingham. Enquiries: 0171-935 9202.



Black spider web tights (left) for women who can trap men with one glance, £50 by Fogal, 36 New Bond Street, London W1. Enquiries: 0171-493 0900.

Holly Davies





# 13/INTERVIEW

## This lad won £11 million. Guess who bought the drinks?



**DEBORAH  
ROSS**  
TALKS TO A  
LOTTERY WINNER

Karl Crompton won the lottery. He has been nice to his mum and dad, bought the flash toys and been on the flash holidays. But life lacks the challenge it had when he was an assistant manager at Comet. And it'd be nice to buy a round now and again.

Karl Crompton is extremely rich and very dishy and extremely rich and only 24. He may, also, be extremely rich. Of course, I like him a lot from the off. We even end up in a night-club, which is quite something for me as I'm now at that age where if I don't go straight to bed after *Animal Hospital* I've pretty much had it the next day. But Karl is such a honey I do not want the evening to end. He is also single. And may even be extremely rich.

A year ago last May, Karl won £10,903,198 on the lottery. Or at least I think it was £10,903,198. Frankly, I don't take much notice of such things. I do know he needs a steady, though. He's never really had a steady, although he's had lots of casual sex. How many girls exactly have you slept with, Karl? "Loads. But I've never counted them up." I say I've probably slept with about five in my time. "Five?" he exclaims, aghast. "I had five when I went to Corfu for a fortnight!"

Of course, my total isn't five really. I was just exaggerating to impress him. No, I don't tell him this. But I do tell him that what he needs most, it seems to me, is a meaningful relationship with a mature woman who doesn't give it away so easily but might reconsider if it came down to a Porsche, say. He says he needs to go the bathroom, and wanders off. The music is thumping loud. The vibration alone is making my dental work rattle. Karl takes his time. The bathroom in this club is a long way off. Obviously. But, no, I'm not going to slip away. I'm imagining myself in the Porsche. And, you know what, I look pretty good in it. "Cooee Karl! I'm over here..." The silly boy. He's returned to the wrong table.

Nearly £11m is, of course, a lot of money. Invested at the normal rates, it would bring in around £20,000 a week. Not that Karl still has the £11m. Yes, he has spent a fair chunk of it. He gave his mum and dad a million. He gave his brother a million. He took five friends to Hawaii for a fortnight. He has just bought a plot of land outside his home town, Blackpool. Here, he is building himself a mansion which, by the sound of it, will have lots of swimming pool and marbled, ensuite things going on.

He is motorbike mad and has bought a Ducati this and Honda that and a Suzuki followed by lots of Zs, which I think means it's quite tasty. He also owns a Porsche 911 GT2 which does 0-60mph in 0.3 seconds "and doesn't even have a heated rear window, because of the weight". Plus, he's just passed his helicopter pilot's licence. But, no, he won't be buying a helicopter. "They're not that expensive. You can get one for £170,000. But the upkeep is very expensive. I'll rent one when I need one, I think."

Yes, there has been resentment. His BMW run-around has been "pissed on and spat on". A couple of weeks ago, a woman came up to him in a pub, tapped him on the shoulder, and said: "Are you Karl Crompton?" "Yes," he said. "Well, I think you're a complete tosser," she said. "Just sod off then," he said. She's lucky she didn't get a punch in the nose, frankly. When Karl was 19 he was sentenced to nine months



Karl Crompton: "I was very good at selling video recorders. And Dyson vacuum cleaners, which are brilliant".

Photograph: Glyn Griffiths

in prison for smashing a glass in someone's face during a pub brawl. Karl has an on-off thing with a girl called Nicole from back home. It's off at the moment because he can't say "I love you" to her, which is what she wants him to do. Karl might have a problem verbally expressing himself. Karl doesn't read books because "they're a complete waste of time, aren't they?" Yes, I concur wholeheartedly. I'm sorry, readers, but I really do want this romance to progress.

How much money does he actually have left? He says he hasn't a clue. "Every now and then my financial people send me a portfolio, but I only ever glance at it." You don't keep a close eye on it, then? "No. The bank appointed these people, and I just let them get on with it." He had come down to London to go on *This Morning* and was staying overnight. We meet initially at his hotel. I pay for the drinks. Then, later, I pay for a meal and the club and the taxis. Karl offers, but I don't want him to think I am only after his money. He says a lot of people feel like this. He says that since the win, he's never bought less rounds in his life. He's rather like the man with the million pound note.

Anyway, he had spent the afternoon in Covent Garden, where he had purchased a Paul Smith watch and a jumper from Reiss, even though he claims the novelty of being able to buy whatever he fancies is beginning to wear off. Yes, sometimes he does miss the Blackpool branch of Comet where he was an assistant manager before the win. "I'd worked my way up from a YTS boy. I was a very good salesman. I was very good at selling video recorders. And Dyson vacuum cleaners, which are brilliant."

His ambition was to become manager and then, perhaps, a regional manager. He was perfectly happy. The job, he says, pre-

sented "a new challenge every day and I got to meet lots of different people". No, he did not consider staying on after the win. When you're worth £11m, it's quite hard to get excited about kettles and toasters. Comet were very good to him, though. "They let me keep my staff discount card until it expired." Yes, he still pops in. "I say how much for this if it's cash?"

Now, though, where are the challenges? Now, though, where's the purpose in life? How does it feel when the need to work is taken away? Good, on the whole, he says, although he's just started up a mo-

torbike racing team. "which gives me something to do, and is a challenge, although not as big a challenge as Comet, where I really had to motivate staff to get my bonuses." The photographer gets very het up. You could go off and study, he says. You could do something for children without the usual number of limbs, he continues. You could collect art. Karl says he bought back a very nice water-colour from Hawaii, as it happens. It's of a cottage by a waterfall. He's building a gallery for it in his new house. No, his life doesn't have much purpose. But such a thing wouldn't trouble him because he's just not a troubled sort of person.

**Sex? More before the win? Or after? Before. Girls up North – "who aren't that impressed by money" – are suspicious of him, whereas he's suspicious of the girls down South. Look at the ones who go out with Peter Stringfellow**

It's everyone's fantasy to have a big lottery win. So what's it actually like? How did it go, Karl? He was out clubbing in

Blackpool, he says, on the night the draw was made. He didn't get back home until 11ish on the Sunday morning. His mum, Pat, a chiropodist's receptionist who has carried on working part-time, met him at the door. "You're looking at a lottery winner," she said excitedly. "How much have you won, Mum?" Karl asked. "Ninety one pounds," she exclaimed happily.

Karl went upstairs to get his ticket, which was in the pocket of yesterday's jeans. He bought the ticket back down. He asked his mum if she'd written the winning numbers down. She said she'd written them on the

back of *The Radio Times*. He went to have a look at them. The numbers were identical to the ones on his ticket. He thought his mum or his dad (a laminator who has since given up work) or his brother (a security guard who's also packed in the day job) were playing a joke. Obviously, one of them had sneaked a look at his ticket, then written the numbers down. "Who's the joker?" Karl asked his mum. His mother looked at him. "From her expression, I knew." No, he can't now remember what his numbers were. Apart from 32, which was his salesman's number at Comet.

What did he feel exactly, on realising he had won? First it was disbelief, he says. Then it was excitement and nausea and the shakes all mixed up together. And then it was disbelief again. He checked the num-

bers umpteen times on Ceefax and Teletext before phoning Camelot. Two Camelot advisors were with him by evening. But it being a bank holiday the next day, Karl was told he would have to hang on to his ticket until Tuesday. He kept it in his back pocket, he says. No, he didn't sleep with it, although the Camelot people told him a lot of people would have. One man, they said, even kept it Sellotaped to his bottom. "They said it wasn't very nice to handle by the time they got it."

He went public, he says, because he knew he wanted to blow a portion of it straight off, and it would have been hard to account for it if he hadn't. Yes, he got hundreds of begging letters and still does. He ignores them all. He even, just after his win, got a note from a cousin he hadn't seen for years. "Dear Karl," the note began, "you have always been my favourite cousin..." The cousin later turned up asking for money. It was only £1,500 for a deposit on a house, but Karl refused him. "I knew he'd had three holidays that year. He could have put his own money towards a house." What would he do if a mate, say, wanted to borrow a tenner to see him to the end of the week? "I would lend it to him, but not ask for it back. Then the ball would be in his court..."

On the whole, he seems to have dealt with things quite well. Certainly, he has done right by his mates, it seems. After the initial euphoria and the Hawaii business they did, yes, stop calling him. "I'd call them on a Saturday and say, you going out? Yeah, they would say. Well, why didn't you call me then?" They said it was hard for them. Should they let him pay? For example, Karl gathered them together. "I said to them if you have a problem, then let's hear about it. They said I was in a different league now, because I had money. I said yes, I had money, but I was still in their league. I said it

was as difficult for me as it was for them. I said I needed them to help me through it. I said I needed them to keep my feet on the ground." Karl is taking 15 of his closest friends to Jamaica for the New Year. This, I guess, is one way of helping him keep his feet on the ground.

Sex? More before the win? Or after? Before, actually. Corfu, for example, was before, whereas in Hawaii, which was after, he didn't get his leg over at all. He says girls up North – "who aren't that impressed by money" – are suspicious of him, whereas he's suspicious of the girls down South. Look at the ones who go out with Peter Stringfellow, he says. "Now, you can't tell me they're with him for his personality or looks." He'd fancied Nicole, a local girl, for a year before his win, but she was going out with someone else. As Nicole is reported to have said when she dumped her boyfriend, she wasn't doing it for the £11m. "It's just that circumstances have changed." Surprising, that. No, he doesn't know if they'll get back together. Meanwhile, "I'm enjoying my freedom."

At this precise moment a supple young thing in a Wonderbra wriggles past. "I like women with athletic bodies," Karl confides. Yes, I say I once went to an aerobics class which was very good even though I vomited afterwards. I ask him if he wants to dance. I'm up for it although I cannot vouch for my dental work, I tell him. He says he had a motorbike accident not so long ago and still has a dicky leg, which is a shame, because otherwise he'd love to. Then he says he has to go because he has an early appointment with his financial advisors in the morning. He says it's been quite a fun evening. "I like you even though you're jokes don't make sense," he says. I say I've known quite a few successful relationships built on less. He says: "Cheerio, then."



**DINAH  
HALL**

**They would wander in, sit down at the grand piano and play a burst of Mozart – it came as naturally to them as farting does to my kids**

Have developed a worrying, new middle-class addiction – poring over school league tables. After I've looked up my own children's schools, I then look up those which my nephews and nieces, friends and second cousins twice removed attend. Particularly liked *The Observer's* value-added list because it puts our local comprehensive in the top 100. But then my niece's school in Norwich, which was placed in the *Independent on Sunday's* top 100, and *The Times's* top 200, does not feature at all in *The Observer's* 1,000 schools. Am now totally confused, particularly as I know, deep down, that

everyone really judges schools by what they see coming out of the gates at half past three.

I'm all for value-added tables but I do wonder how much difference they will make to deep-seated class assumptions. Yes, we liberal middle classes will be happy to applaud the previously unsung heroes doing a brilliant job in struggling inner city schools. But while we are saying "how fantastic that they are getting those results when they have such a high percentage of children with special needs/free school meals/English as a second language" we'll be fighting to get our own children into the

school down the road with fewer poverty indicators.

My general education paranoia has been increased this week by spending too much time with private school parents. For the first time ever, we went to an "At Home". This is a very strange concept – when we're "at home" it usually means we've got our feet up on the sofa in front of the television, with a few empty beer bottles and packets of crisps scattered around the carpet. But when capital letters are involved, At Home seems to mean polite conversation, lots of champagne and devils on horseback. These At Homers

were extremely pleasant – not least because they had commissioned my husband to design a radical glass extension to their house, and were still speaking to him at the end of the job – but the children were like an alien species. They would wander in, sit down at the grand piano and play a burst of Mozart – not because they'd been asked to practise, nor to show off, but simply because they wanted to express themselves. It came as naturally to them as farting does to mine. The sense of having raised gormless, inarticulate uncultured little brutes deepened as I chatted to my frighteningly ar-

ticulate privately educated nine-year-old niece, who was one of the guests and realised that we are probably the commonest people she knows.

Came home determined to make my children practise the piano (surely after three years they should be using both minds?) and to put a stop to their increasing label fascism. The 11-year-old wants everything Adidas for Christmas. No way is he going to wear Clarks' trainers, and Marks & Spencer velvets are just "sad". Unfortunately, he has off-the-scale wide feet, shaped like flippers, which makes shoe-buying particularly troublesome. I had

some shoes specially made for him at vast expense – perfectly reasonable, black lace-up desert-boot style. I negotiated a deal with him – trainers to be worn three school days plus weekends and boots twice a week. But this was the chance his long-suffering older brother had been waiting for – he had finally found his Achilles' heel. "You've got problem feet," he whispered evilly as they set off for school, "those are disabled shoes." Adidas-man now point blank refuses to wear what they have christened the "duffer" boots. I am thinking of donating them to the seal house at London Zoo.

## Today we save energy, tomorrow we save the world



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In a temple in Kyoto is the original wooden statue of the three monkeys who can hear no evil, see no evil and speak no evil. Precisely the attitude of the vast majority of the world's population to the effect of their lifestyles on the earth's climate. Next week, world environment ministers gather in Kyoto to face one of the central political dilemmas of our time. How can political leaders secure consent for policies needed to sustain anything like the present numbers of people on this crowded planet?

Today, we report the latest evidence of the likely effect of human-made climate change on sea levels. The disappearance under the waves of several small island states in the Pacific is only one of the most dramatic consequences of societies' use of energy from burning coal, oil, gas and wood.

Politicians are, on the whole, slightly ahead of public opinion in understanding the science of climate change. One of Margaret Thatcher's least-remarked claims to

a place in history is that she was the first national leader to take global warming seriously. She thus made the first Earth Summit in Rio de Janeiro possible five years ago. In this, at least, Tony Blair can be proud to have followed in his mistress's footsteps, suddenly converting to the glamorous cause of cutting carbon dioxide emissions at this summer's follow-up summit in New York.

These grand gatherings were important in getting all the nations of the world to agree that *Something Must Be Done*. Now the hard part. The governments of the world have pledged themselves to sign a legally binding agreement at Kyoto, but the trouble is that they still cannot agree on what they should be legally bound to do.

Whatever is agreed next week will be too little, too late. Global warming is already happening, and more is already "in the system", in that the extra carbon dioxide is already in the atmosphere and will go on trapping the sun's warmth. And

the biggest contribution to global warming will probably come from fuels which have yet to be burnt - but which inevitably will be - by the world's growing and increasingly industrialised population. We are already halfway to hell in a handcart, and the ride is going to get much bumpier before the cart's headlong rush can be slowed down much.

President Clinton's willingness, then, to return the US's annual emissions of greenhouse gases to their 1990 level by 2010 is both hugely ambitious and not enough. Unless the US, the greediest gas-guzzler, shows willing, no deal can be expected to stick. But how on earth will the expanding American economy, built on cheap oil, burn less fuel in 12 years' time?

Welcome, too, is the British Deputy Prime Minister's green diplomacy of the past few weeks as he has travelled the world chivvying and preaching the bad news message. Not only that, but John Prescott has said that Britain will go it

alone with more stringent targets than those agreed at Kyoto as an example to the world. That is fighting talk. But still the question is: How will energy use be cut? The energy-hungry juggernaut that is modern capitalism is not going to be stopped by a bunch of politicians signing a piece of paper in a Japanese city.

The main answer is green tax. The only non-coercive way to reduce demand for energy is to raise its price. The trouble is that this is hardly popular politics. The German social democrats once thought they had found the post-capitalist holy grail with the slogan "Tax Pollution, Not Jobs", a plan to cut tax on something we have too little of, namely employment, and shift the burden to something we have too much of, namely pollution. But voters only saw the tax-raising, not the tax-cutting, side of the equation.

In Britain, we have moved sideways in the right direction. The Conservatives instituted by stealth a policy of annual tax

raises on petrol of 5 per cent more than inflation. The "tough choice" for Labour is to reverse its opportunistic opposition to VAT on domestic gas and electricity. We need to raise taxes on gas and, above all, electricity generated from fossil fuels, while protecting the poor. The economic and ecological arguments are overwhelming: here is a tax base that is buoyant and non-distorting. But the political argument can only be won by bold income-tax cuts aimed towards the bottom end of the scale.

A big shift in the tax burden needs to be backed up by regulation, setting tougher minimum energy standards for electrical appliances and for home insulation. And by research into solar, tide and wind energy. Then Mr Prescott and Mr Blair could really hold Britain up as an example of how energy use could be cut without economic damage. That would be the best way to persuade the peoples of the world to open their eyes and ears to the dangers, and to open up a dialogue about what can be done.

Post letters to Letters to the Editor  
and include a daytime telephone number.  
Fax 0171 293 2056; e-mail: letters@independent.co.uk  
E-mail correspondents are asked to give a postal address.  
Letters may be edited for length and clarity.

## LETTERS

### Food modification

Sir: Professor Dick Flavell, Director of the John Innes Centre, says that those who want the biotechnology behind genetically-modified food banned are "undermining the position of the starving people of Ethiopia" ("Genetically-modified food to hit shelves in the New Year", 20 November).

The connection between Ethiopia and biotechnology eludes me. Over 99 per cent of food in Ethiopia is produced by smallholder farmers who use mostly their own farmers' varieties for seed. As shown by the three preceding years of food production being sufficient for domestic consumption, with even some for export, it is clear that it was not poor seed, which biotechnology would presumably improve, but civil war and excessive and uninformed government regulation of farming, that was to blame for the decades of persistent starvation.

There are still hungry people in Ethiopia, but they are hungry because they have no money, no longer because there is no food to buy. Heavy unseasonal rains have ruined a lot of this year's harvest and food will probably be short in 1998. But even transgenic crops would have suffered under such heavy harvest-season rains.

Those who oppose biotechnology may be undermining transnational corporations, but certainly not the smallholder farmers of Ethiopia. I am Africa's spokesperson in the negotiations on a Biosafety Protocol and on the revision of the International Undertaking on Plant Genetic Resources. I strongly resent the abuse of our poverty to sway the interests of the European public in the debate on the means by which transnational corporations keep themselves wealthy at our expense.

TEWOLDE BERHAN  
GEBRE EGZIABHER  
Institute for Sustainable  
Development  
Addis Ababa, Ethiopia

Sir: Genetic engineering technology is being applied to strains of crops (for example, maize, cotton, soya beans) that are particularly responsive to high applications of chemicals, usually made by the same companies doing the

genetic engineering (report, 20 November).

Meanwhile, early genetic engineering "successes" include a genetically-engineered soya bean that provoked an allergic reaction in people with an allergy to Brazil nuts, sheep genetically-engineered to grow faster but which died earlier, pigs genetically-engineered to grow faster which suffered numerous diseases, and the tomato that was genetically-engineered to stay firm but which proved to be almost impossible to harvest effectively. Now cotton farmers in the USA are suing over this year's failures of new genetically-engineered cotton crops.

Not a great deal of encouragement to "the starving of Ethiopia" there.  
PETER MELCHETT  
Executive Director  
Greenpeace UK  
London N1

### Tory nationalism

Sir: It is a bit rich to find that the faction who threatened to bring down the last government on the European issue, split the Conservative Party and lost the last election by a landslide, now insist on throwing out the party's new nationalist dogma ("Tory misery as MP quits", 22 November).

Last year, when they insisted that we bring the whole of the European Union to a halt unless it opened its markets to our suspect beef, I resigned my membership quietly because of my respect for all the party workers who had been such a support over 15 years and because there were still old colleagues who were carrying on the fight to keep the party to its pragmatic, inclusive traditions.

But the former Conservative and Unionist party is now the English Nationalist party, re-

puted by both Scots and Welsh. The whole issue of the single currency has been debated, not on its merits, but on the myth of a national sovereignty over the pound which disappeared with the First World War.

In a country which has to accommodate English, Scots, Welsh and a million-and-a-half Irish, as well as Asian and Afro-Caribbean minorities, nationalism is a dangerous creed. It cost 50 million European dead in two world wars. It is also contagious. My former German colleagues reported that their constituents were beginning to say, "If the English can be nationalist, why cannot the Germans be nationalists?"

Sir FRED CATHERWOOD  
Cambridge

The writer is former MEP (Con) for Cambridge and North Bedfordshire

### Baby Benz tests

Sir: As editor-in-chief of the Swedish magazine that was the first to turn a Mercedes A-class upside down, I read Gavin Green's article "The first faltering steps of the Baby Benz" (15 November) with great interest.

There is, however, some misinformation in the article. My five reporters were not driving on an icy surface when the A-class turned over. The event took place on Bromma Airfield, just outside Stockholm, on a clear and sunny day on absolutely dry asphalt.

The A-class Mercedes did not carry five people and 800lb of luggage. The car was loaded to Mercedes' own figures for the maximum loading capacity. There were five people in the car plus 75kg of lead-filled bags, the latter being stored in the luggage compartment at the back of the car. Thus, our car had a much lower centre of gravity than

most A-class drivers would have, as we put so much weight at the bottom of the boot.

Our test is a simulation of how a car behaves when you try to steer away from a child (or animal) that runs out in front of a car. We always start the test at a very low speed in order to get acquainted with the car's behaviour. Then we increase speed. We drive all cars with a) the driver only and b) the car loaded to its limits according to the manufacturer's specifications.

During several decades of testing hundreds of cars, no other car has ever behaved as badly as the new Mercedes. Problems had already started during "warm-up", at approximately 50 km/h. The car turned over completely at approximately 60 km/h.  
CALLE CARLQUIST  
Editor  
Teknikens Värld magazine  
Stockholm

### Stritch magic

Sir: In his engrossing interview with the fabulous Elaine Stritch (22 November), David Benedict states that Noël Coward wrote *Sail Away* for her.

As his diary for March 1962 shows, Coward initially wanted Kay Thompson for the role, and only when she turned it down was Stritch auditioned and engaged. Which does nothing to detract from Miss Stritch's magic, and gives an excuse to repeat another Stritch/Coward story with which the eccentric actress once regaled the slightly shocked Saturday morning audience of Ned Sherrin's *Loose Ends*. When Stritch arrived at a cocktail party unexpectedly attired in formal wear, Coward took her to one side and delivered the reprimand: "I told you to behave yourself, but not to look like a fucking geography teacher".

PHILIP HOARE  
London N3

### British policing

Sir: People attending the anti-violence demonstration to which Susan Dickens refers in her letter (20 November) were searched under Section 60 of the Criminal Justice and Public Order Act. This was because we anticipated serious disorder. Our expectations were, unfortunately, accurate.

Evidence-gathering teams with cameras were used throughout the day. The evidence will assist us in identifying offenders who, during the demonstration, tore down a fence guarding private property, threw missiles at police officers and fought with them in a frustrated attempt to break into the farmyard.

Evidence gathering and searches continued after the main demonstration was over. After demonstrations, groups of protesters carry out "home visits" which intimidate individual employees of the farm at their home addresses. These have as much potential for trouble as the demonstrations themselves.

The fact that someone is middle-aged or elderly is no longer a guarantee that he or she is not prepared to participate in violence, disorder and attacks on police officers.

This is the state of the Britain that we police today.  
PAULINE M SYDENHAM  
Superintendent Area  
Commander  
Thames Valley Police  
Widney, Oxfordshire

### French population

Sir: Might not a factor in the low growth of the French population from the late 18th century onwards (Comment, 22 November), be the fact that, at about that time, the French peasantry started owning land and that, on death, property was divided equally among heirs?

ROBERT NOWELL  
New Barnet, Hertfordshire

### Wet technology

Sir: Gemma O'Connor (Letters, 21 November) asks why Esther Dyson, at the "cutting edge" of technology, does not publish her book on the Internet. I would have problems balancing the computer on the side of the bath.  
M DAWSON  
London E17

## I raised a stink over my plate of rotten lamb, but the judge was too drunk to notice



MILES  
KINGSTON

"The English are very good at grumbling, but very bad at complaining," said the restaurateur Enzo Appicella once.

What did he mean by that? Luckily, I was in his presence when he said it, so I could ask him to explain himself.

"Well," he told me, "I know from having run restaurants for many years that the English hate to come to the management with their complaints. They will mutter at the table about how badly cooked, or cold, or inferior, their food is, and they will go on muttering and whingeing, and they will show their displeasure by not coming back, but the one thing they will not do is cause a fuss by complaining out loud there and then."

"Isn't that nice for you?" I said. "Doesn't it avoid involving you in unpleasant scenes?"

"No, it is not nice for me," he said. "If something is wrong, I want to know about it. I don't want people to depart in silence and never come back. I want people to complain more! Otherwise I may never discover what is wrong."

I think he is right. I think as a people the British - all of us - are nervous of complaining vociferously. We mean, but we do not have the courage of our moaning. We would often rather leave the food untouched and have the plate taken away than make any comment. I think I have only once in my life sent a bottle of wine back, and it was quite justified because it was horribly sour and sharp. The

waiter took it away in a flash and brought another one. It tasted exactly the same.

"Fine," I said nodding to him to pour away.

Well, I couldn't send back two bottles in a row, could I? I'm English, aren't I?

The only time I can remember being in a restaurant where complaint became vocal was 10 years ago or more in York, in a very posh restaurant called The Judge's Lodgings, which I am sure has been wonderful ever since then but which that night served a lamb dish in which the lamb meat was beyond doubt dangerously past its eat-by-date. At first you don't believe that you have been served something so poisonous - you think that maybe it is meant to taste like this - but

I was finally pushed by increasing nausea to complain to the waitress and was amazed to hear a chorus from nearby tables of: "Yes, mine's off, too," and "I'm glad somebody else thinks it's off!"

About half the diners, it turned out, had ordered that dish and everyone had been thinking independently that there was something wrong with it. Nobody had liked to complain. But as soon as someone did complain, it opened the floodgates of communal displeasure, and the whole dining-room became friends, united by this bond of rebellion. I can even remember swapping addresses with the couple at the next table, though needless to say we never got in touch again. We are British, after all. (I say that the whole dining-

room became friends. This is not quite true. There was an elderly man in the corner with his mistress who was, as far as we could tell, a judge, and was clearly very drunk, so drunk that he remained completely unaware of the uprising going on around him, and also oblivious to the way in which everyone was listening to his conversation with the equally plastered girlfriend. At one point one of us dared to ask her if her main course was all right. She blinked and said it was some of the best chicken she had ever eaten. The judge said: "I thought you were having steak, dear." She said: "Am I? Oh yes, so I am!", and they went off into peals of laughter and retreated back into their own private drunken world ...)

Needless to say, this accident-prone meal is fondly remembered by my wife and myself where other better meals have faded, in the same way that you remember that picnic with the wasps and the ants more clearly than all the others, and in the same way that we British remember the ignominious debacle at Dunkirk more than almost any other event in the Second World War.

I have suddenly remembered that this article was going to be a cold hard analysis of my current complaints, which are about waterproof hats and mobile phones. Tomorrow in a very un-English way I shall tell you how I became an ex-Orange phone user, and how I wish I had an address to send my Driza-Bone hat back to.



# 15/COMMENT

## The disturbing pleasure that we take from the death of a stranger



THOMAS  
SUTCLIFFE  
ON MICHAEL  
HUTCHENCE

I am going to confess to something rather disreputable. When I heard about the as-yet-unexplained death of Michael Hutchence, the lead singer of INXS, a little thread of pleasure was undeniably woven into my immediate response.

That sounds starkly cold-hearted, even given the contrite preamble, so I had better explain myself as briskly as possible. It wasn't that I disliked Hutchence for any reason (or indeed that I thought about him at all, in between his periodic bouts with the tabloid press). And, though it seemed to me that Bob Geldof was the injured party in the marital break-up in which Hutchence played a leading role, my partisanship was nowhere near intense enough to generate vindictiveness about either side. These things happen, after all, and they are more complicated than newspaper accounts will ever allow for. What's more I didn't feel strongly about the music Hutchence made (I wouldn't bet a bus-ticket on my ability to identify an INXS track). So the little spark of satisfaction generated by this news had nothing to do with hostility or a sense of natural justice or even aesthetic relief.

Of course the pleasure of these things is furtive and shamefaced. As soon as the light of your own conscience switches on, it scuttles for the shadows. Once you have had time to read the remarks of a bereaved father or think a little about the feelings of a spectrum of mourners, from lovers to fans, it can be almost impossible to coax it out into the open again. Indeed you can even doubt it was there at all. But was that first little leap of glee really just a figment of your imagination? Surely not. Something in us rejoices at the death of stars – not because we hate them or have ever wished them harm, but because we are still here to reflect on it, to feast on the exact nature of their departure. For the first time, perhaps, we can read about these paragons without even a whisper of inferiority tainting our interest. We cannot envy them now.

There is a trite proverbial level at which this operates – evidence that the old line about "Money not buying you happiness" is not just a consolatory fiction (as we all suspect at heart) but may actually be true. But there is something larger, too – the irrepressible thrill of survival which runs through our veins with an atavistic power. The beast got him and missed us. And if you fear that you are alone in this

selfish appetite, you can take some reassurance from the general culture. Newspapers are not notable for devoting large amounts of space to subjects that make their readers genuinely unhappy. On the contrary, they try to give people what they want – and what they want when a star dies (particularly when it happens prematurely or in unexplained circumstances) is to read all about it – every overlooked warning sign, every private anxiety that might have festered behind the public mask of contentment. In doing this, papers soothe a sore that they have created themselves – with the chafing rub of their daily fantasies of fulfillment and success.

Soap operas similarly know that the surest way to restore flagging viewing figures is to kill off one of the leading characters – and this is not just a punitive reminder that the audience cannot take these fictions for granted (the audience only drifts away from such programmes when they become complacently confident that all will be the same when they return). Such lovingly imagined deaths are also a blood sacrifice to our appetite for intensity and risk. We have, it seems, an irrepressible human desire to peer over the edge which is gratified by the catastrophes of others.

Figures in other ways, too – the week-end's newspaper predictions of an imminent financial crash in the Far East contained more than just a hint of *schadenfreude* – a sense that economies to which we had been

obliged to kow-tow for so many years may not have been quite so intimidatingly superior as we were led to believe. And the fact that their disaster might ripple out to engulf us, too, did not make these pieces any less engrossing – it was at the heart of their appeal, the promise of seismic events that would touch us directly. It is as if we need some sense of danger in our lives during times of predictable peace, as if we

want – fraudulently or otherwise – to increase the imagined odds against life, so that we can feel ordinary existence is a kind of winning in itself – not merely membership of that vast and indiscriminating club, the Also-Rans.

In this respect, the paramount obituary cliché may be at odds with our inherited instincts. "The world is a smaller place without him," someone wrote yesterday about Michael Hutchence's premature death. That will feel true for many people, of course – those who were close to him or who had any kind of stake in the future he might have had – whether through something as substantial as intimate companionship or as trivial as an eagerly awaited new album. But I suspect that for many more people – even those who sympathise once they've thought about it – there is still some element in them that repudiates the valedictory platitude. Something in us – something uncivilised and unrepentant – recalls an ancient evolutionary calculation. It knows that the death of another doesn't necessarily diminish the world, but may well enlarge it – making it a place with just a bit more opportunity and just a bit less competition. It isn't an appealing truth, but it is a truth none the less – there is something enlivening in the death of stranger.

Something in us rejoices at the death of stars – because we are still here to feast on the exact nature of their departure

## Message from Wisconsin: nirvana is a job in a fast food joint



POLLY  
TOYNBEE  
WELFARE  
TO WORK

"Think how a former welfare mother feels the first time she buys a pair of shoes for her child out of her very own pay cheque. How her chest swells with pride! Well, I want to bottle that feeling and make it Wisconsin's greatest export!"

In his lakeside mansion, Governor Tommy Thompson is addressing a delegation of Europeans invited to hear the Wisconsin Gospel, and to take it home bottled like the waters of the Jordan. Indeed, in the 12 years since he was elected on a ferocious anti-welfare campaign against benefit scroungers and layabouts, Wisconsin has exported to most of the western world some form of its welfare experiments. Our own welfare-to-work programme, starting next April, was born right here. Five delegations of British Labour politicians have already been through here, for this is a well-trodden welfare nature trail.

The American way of welfare reform comes wrapped in rapturous language, ecstatic, hyperbolic and often lachrymose. Governor Thompson's anecdotes of welfare souls saved are bringing tears to his eyes. For this is about the remoralisation of society and the reawakening of the American dream for those deprived of it by debilitating welfare hand-outs. Reform exponents talk with revivalist fervour of the life-changing, spiritual dynamism of tough love. We Europeans look a bit queasy at all this born-again iron-free stuff: they are talking, after all, about a job at Wendy's, not earthly paradise.

Does it work? That is the only question. The Governor gives figures showing that Wisconsin's welfare has cut numbers on benefit by 70 per cent in 10 years. It is these figures that made the US government rush to legislate what is billed as the End of Welfare. Their draconian new law came into effect last month, unthinkable ferocious to European ears. It removes all legal entitlement to welfare from now on, leaving it up to each state. Everyone has to work for benefits, even mothers with three-month-old babies. Any babies born to



welfare families get no extra money. Most alarming of all, nobody can draw welfare for more than five years over a lifetime. Last month that clock started ticking and the message is being blazoned from one end of America to the other – welfare is over, get a job or die.

The rest of the Western world is watching aghast yet fascinated. Most, like the British, are experimenting gingerly with some of this, but none so drastic. So in five years' time, when the time limit is reached, will there be starving, barefoot children dying on the streets of the world's richest country? Will crime soar? What of recessions? Is this finally the end of any social contract between the haves and have-nots in America?

Well, no, probably not. All is not quite what it seems. For when it comes to the crunch, the Right takes a big game on welfare, but faced with the complex realities they too realise that you cannot let families starve and hope to be re-elected in the modern world. Voters want something done about welfare, but they don't want dead baby headlines. So when you ask right-wingers what will happen in five years' time, they whisper be-

hind their hands that if necessary the law will probably change again. Five years is a long time in politics and welfare legislation is always in a state of revolution as successive governments each try to do the impossible – get all the able-bodied into work while ensuring protection for all the genuinely helpless.

They say the rhetoric is what matters. If you shout loud that there is no more welfare, then people hurry out and get themselves jobs. Many did just that when the law was passed, long before it was implemented. That happened in Britain when the tougher Job Seekers' Allowance was announced, long before it came into force. "They have to believe you mean it," said one adviser. "They got jobs to save up their precious five-year entitlement."

However, this programme is fantastically expensive – probably 60 per cent more than the simple benefit system it replaced. After all, our own very limited welfare-to-work scheme costs £3.5bn just for 18- to 25-year-olds. First there is the childcare bill: if you force single mothers to work, you have to guarantee child care. At even greater cost, Wisconsin has guaranteed free health care to all the low-paid, and

help with transport, even buying them second-hand cars to get to a job.

That is why the Democrats supported it. Secretly, it is the greatest expansion in welfare since the New Deal. Until now, welfare payments had been cut well below the poverty line with no chance of political support for anything but more cuts in the future. Now, under cloak of the remoralising of the poor by making them work, vast sums have been channelled into helping them. Most welfare families are paid more since the flat rate paid to all assumes three children per family, while most have only one or two.

Hidden in the small print there are all kinds of secret softeners. For example, each state can exempt 20 per cent of welfare recipients from the five-year time limit. So areas of intractable unemployment can

still protect what will probably be enough people. As for forcing women with tiny babies to work, the Wisconsin scheme conveniently has a nine-month waiting list for infant childcare, and is quite happy to keep it that way.

The more detail was revealed, the more amazed I was by the mismatch between rhetoric and reality. The rhetoric is savage, but that's political cover for one of the most expensive attempts at lifting people out of poverty there has ever been. The curious coalition between right and left on welfare reform is because the right won the language, but the left won the money. What exactly will happen in the next recession nobody knows, but for now, the money flows as more people flow back into work.

What lessons for the UK? What everyone wants to know is how many are taken off welfare for ever for every buck spent? That, I suspect, we shall never know. In the past 10 years Wisconsin's economy has boomed as never before, untouched by recession. Many of those who have left welfare would have done so anyway. But nobody knows how many. There is no doubt that many once completely unemployed people have been "saved": semi-literate lone parents who had never ventured more than a few blocks from their home, with no idea how to read a map or bus timetable, have had their lives transformed by being taught these skills. In the end it is these inspirational anecdotes that keep the voters happy, for lack of hard data.

Do you need to sound as draconian as the new US law? We shall have some idea when our own New Deal for Lone Parents has been running for a few years as a voluntary scheme – but without universal child care it won't be a fair comparison. Will the rest of Europe follow the American model? The chances are we will, cautiously, little by little. We will not dare be as tough, nor will we dare spend as much. As for results, every country changes its systems so fast and so often, while their economies fluctuate, that true evaluation will never be possible. But most experts now think that almost whatever you do to give individual personal attention to the poor has good results.

## When one region's history is another region's oppression



LIZ NASH  
A LESSON  
FROM SPAIN

As the United Kingdom prepares to unlock its tight centralised unity by giving Scotland and Wales their own assemblies, the government in Spain tries to tighten the leash. Not by arms and taxes – the traditional way Madrid has exercised power over its rebellious regions – but by the teaching of history.

The conservative education minister, Esperanza Aguirre, wants every Spanish child to learn a curriculum that emphasises the "unitary character of Spain's past". The proposal, launched in the form of a decree, has whipped up a storm of outrage among the proudly independent Basques and Catalans,

who say it tramples on their linguistic and cultural identity. Now the Andalusians and even the Canary Islanders have joined them in rejecting the plan.

Perhaps more than most Europeans, Spaniards tend to put regional loyalties above their loyalty to their country, which is hardly surprising in a land where regions have pushed around the people of other regions for more than a millennium.

The minister's proposal seems a curious volte-face in Spain, which has for some 20 years established a more-or-less harmonious relationship between 17 autonomous regions and the authorities in Madrid. This was achieved through a pragmatic experiment in home rule that handed out varying dollops of devolved power. The parcels of power varied in size according to the decibel-level of nationalist screams from the regions, so the Catalans, the Basques and the Galicians got most, including the right to determine 45 per cent of their school curriculum.

Fundamental was the recognition that cultural and political references common to all Spaniards don't have to be identical. This understanding lay behind the democratic con-

stitution of 1978, which sought for the first time to embody a consensus, rather than to impose the vision of one half of the country upon the other. The aim was to overcome the fear, resentment and lust for revenge created during 40 years of Franco's dictatorship – which everyone realised could have torpedoed the democratic transition from the start.

Translated into the history lesson, this meant that King Ferdinand and Queen Isabella, whose expulsion of the last Moorish king from Granada in 1492 was conventionally depicted as the climax of a predestined process of unification, were now seen as the forgers of a new European state, bullying a clutch of independent nations into line.

The only "unitary" aspect of this clash of interpretations is the names, the dates and the battles. The real stuff: who did what to whom, who benefited and who suffered, takes on a completely different shape according to where you are standing. Regional spin doctors, free for the first time in generations, sometimes centuries, to write their own story, naturally spin it to their own advantage.

So, depending on where in Spain children go to school, they might learn that Ferdinand

was a King of Aragon who, through a shrewd marriage, came to rule Spain. Or a Spanish king who ruled Catalonia. Or a sprig of the Castilian aristocracy who inherited the Aragonese crown. Or that the kingdom of Aragon was based in Catalonia, and that his name was actually Ferran.

The Catalans now scent the dead hand of authoritarian Castile trying to turn the clock back to the days when Castilian monarchs regarded Catalonia as a possession whose wishes could be ignored. The minister's big mistake was to have announced her new rules without regard to the Catalans' ancient oath to their monarch that still governs their approach to political pacts today. This is the sacred principle of "If not, not": "We who are as good as you, swear to you, you are no better than us, to accept you as our king and sovereign lord, provided you observe all our liberties and laws – but if not, not." Catalans don't want a decree, they want a treaty.

People's identity is forged by how they perceive their forebears were treated, and Catalans have no objection to being Spaniards (albeit, in their opinion, a superior kind of Spaniard) if they are allowed to be

Catalan. When the Catalan leader Jordi Pujol told Mrs Aguirre that he would find it "impossible" to implement her "one-sided vision", he meant that she was breaking the pact and inviting confrontation. The Basques, who for centuries subjected their rulers to similar strictures beneath the ancient oaktree of Guernica, thought the same.

The "if not, not" principle also underlines the sense in Spain's regions that their democratic habits and institutions are stronger and more deeply rooted than those of the centre. Castile, which has never had a great reputation for tolerance or democracy, is described by the historian JH Elliott as "supine and priest-ridden" for much of Spain's golden age.

Hence, in a particularly clumsy step, the minister has stumbled over one of the two major fault-lines that has cleft Spain down the years: between the regions and the centre. And she has managed to weld together, in opposition to her, the other important split – between the political right and left. While the Conservative rulers of Catalonia and the Basque country complain that she is ignoring their national heritage, the southern Social-

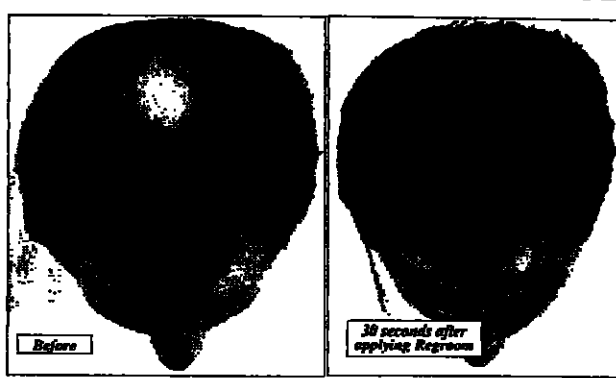
ists accuse her of imposing a fascist agenda.

Within the ruling Popular Party are those who cling to the ideal of a centralised Spain, united and undivided, that was so dear to Franco; they hold that this devolution lark has gone too far. In a startling transformation, the party suddenly came over all autonomy-friendly the moment it won general elections in March last year and realised it needed Catalan and Basque MPs to form a government. Many couldn't stomach it.

Mrs Aguirre, stunned by the force of opposition to her plan, is swiftly rewriting her own history. She is open to suggestions, she says. It is only a draft for consultation. Perhaps the word "unitary" was "unfortunate". If anyone wants to substitute the word "common", she'd go along.

If history is written by the winners, Spain's ruling party will have to wait until it has an absolute majority before issuing new textbooks. Even then, it will probably find that any attempt to squeeze the toothpaste of autonomy back into the tube would provoke the kind of national revolts that most Spaniards thought they had consigned to history.

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## Michael Hutchence

Michael Kellen Hutchence, singer, songwriter and actor; born Linn Cove, New South Wales 12 January 1960; (one daughter by Paula Yates); died Sydney 21 November 1997.

Antipodean bands are always treated somewhat patronisingly by the rest of the English-speaking world. INXS, whose charismatic frontman Michael Hutchence was found dead in a hotel room in Sydney at the weekend, overcame early media resistance to become one of the biggest bands of the late Eighties and early Nineties with sales of 30 million records.

In the space of five years, they went from playing bottom of the bill with Queen (in 1986) to headlining Wembley Stadium (in 1991). Yet, over the course of 20 years, the incessant touring (a reported 3,500 concerts) took its toll on the group. Hutchence's rock-god persona and the constant tabloid focus on his relationships with the singer Kylie Minogue, the model Helena Christensen and, especially, the television presenter Paula Yates shifted the attention away from the band's brand of tight, clipped funk-rock and anthemic ballads. INXS were working hard to recover lost ground with a comeback tour entitled "Don't Lose Your Head" after a track featured in *Face/Off*, the latest John Woo movie starring John Travolta and Nicolas Cage.

Michael Hutchence always led a peripatetic existence. Four years after his birth in Sydney, his wine-importer father moved his business to Hong Kong. There the young Michael was something of a model pupil at the King George V International School. But when the family returned to Australia in 1972, he found the going tough and was saved from being bullied by classmates when one Andrew Farriss intervened.

The pair became friends; they shared a love for the music of Elvis Presley, John Lee Hooker, James Brown, Aretha Franklin. Andrew played keyboards and guitar and Michael sang along. Michael's parents later separated and he followed his mother to California for a couple of years. But he returned in 1976 and soon formed a band with Andrew Farriss and Garry Gary Beers on bass.

At the same time, Andrew's older brother Tim was playing guitar in a succession of groups with Kirk Pengilly (on guitar and saxophone). Joining forces in 1977 and adding their younger brother Jon on drums, the outfit became simply known as the Farriss Brothers and started to tour the lucrative pub circuit. In Australia, the pubs are huge hangar-like venues sometimes packing up to a thousand locals and the band honed their craft playing several sets of rock covers in front of boisterous crowds every night. Perth was an early stronghold and they briefly moved there in 1978.

Returning to Sydney with the moniker INXS, the sextet signed to the small Deluxe label and released their debut album in 1980. After the success of *Underneath the Colours* on RCA, the band moved to Atco for 1982's *Shaboo Shaboo*, which became their first album to be picked up overseas by Atlantic in the United States and Mercury in Europe.

"The One Thing" and "Don't Change" were favourites on US college radio in 1983 and INXS gained early exposure on MTV and became minor new-wave stars. The following year, they added a dash of dance and funk to their rocky sound and, under the guidance of the producer Nile Rodgers (of Chic fame), cut the infectious "Original Sin" for *The Swing*; the track became a Top 60 hit in the US and a major hit in France. Nineteen

eighty-five was their breakthrough year, with an appearance live from Australia on *Live Aid* as well as the heady "Listen Like Thieves", their first Top 15 US hit single and the title track of their fifth album.

The group were moving steadily up the ladder of rock'n'roll success. In the summer of 1986, "What You Need" reached number five in the US and INXS appeared at Wembley Stadium. They were propping up the bottom of a bill also comprising the Alarm and Status Quo and headlined by Queen. Michael Hutchence, part Mick Jagger, part Jim Morrison, all long hair and leather trousers, proved a commanding, exciting frontman and won many a wavering spectator over. INXS were soon catapulted into the superstar category with the mega-selling *Kick*.

The Roxy Music and Sex Pistols producer Chris Thomas was one of the catalysts behind the 1987 album, which spawned four transatlantic hit singles: "New Sensation", "Devil Inside", "Never Tear Us Apart", "Need You Tonight" (the latter their only US chart-topper), won the group five MTV awards and two Grammy nominations, sold nine million copies and stayed in the British charts for nearly two years. Hutchence's gyrating performances and yearning vocals further established him as a sex-symbol and frontman to rival U2's Bono.

Riding their wave of popularity, the INXS frontman had already starred as Sammy No Brain, a drug-crazed punk singer, in the 1987 cult Australian film *Dogs in Space* (directed by Richard Lowenstein). Two years later, he appeared as the romantic poet Shelley in Roger Corman's *Frankenstein Unbound* and co-starred the *Max Q* project with Ian "Ollie" Olsen.

Regrouping in 1990, the sextet stuck to their winning formula with *X* and its selection of



Hutchence: a rock-god persona. "Rock 'n' roll," he said, "is the perfect scenario for people who need a lot of attention"

smashes: "Suicide Blonde", "Disappear", "By My Side" and "Bitter Tears". The following year, the group headlined Wembley Stadium and marked time by issuing its concert performance on the *Live Baby Live* set. But the law of diminishing returns was already affecting their popularity. The US market was losing interest and the group peaked in the UK with the dance-orientated *Welcome To Wherever You Are*, a number one album in 1992.

INXS had often experimented with club remixes but they now looked to be following in the footsteps of Primal Scream, Happy Mondays and

Tiger Lily), he considered a permanent move to Australia.

Hutchence should have been a happy man. He owned houses in London, the South of France, Sydney and Hong Kong. But the last couple of years had been a struggle. He had managed to contribute to *No Talking Just Head*, an album by the Heads (Chris Frantz, Tina Weymouth and Jerry Harrison of Talking Heads fame, without David Byrne but with guest vocalists like Black Grape's Shaun Ryder and Deborah Harry).

However he never completed work on his long-rumoured solo sessions and

switched from kick-boxing and going to the gym to nights out on the town boozing and popping pills. The recent *Elegantly Wasted* album had proved a disappointment and the critics routinely rounded on INXS in their reviews. "Ever since the success of *Kick*, I've been terrified of being lumped in with bands that were popular but are now extinct," Hutchence said. "We come from a generation where there aren't many survivors."

Michael Hutchence will be remembered for his sexual magnetism and animal presence and some of the last 10 years' most memorable hit sin-

gles. A 1993 interview with *Q's* Adrian Deevoy shows the compelling frontman was fully aware of his talent and also of his limitations. "I really am a fucking great rock star," he said. The others are pretenders. They have choreographers and people to do their hair, make-up artists, managers who tell them what to wear. I've never done that. Ever. Rock'n'roll for me is more than about music. It comes from a thousand years ago and a thousand years in the future, if that makes any sense...

Rock'n'roll is the perfect scenario for people who need a lot of attention, who were ignored as kids. It's the most included, ridiculous situation. It used to be that as a rock star everyone was happy if you killed yourself.

— Pierre Perrone

## Robert Simpson

Robert Wilfred Lewis Simpson, composer and writer; born Leamington Spa, Warwickshire 2 March 1921; married 1946 Bessie Fraser (died 1981), 1982 Angela Musgrave; died Tralee, County Kerry 21 November 1997.

Robert Simpson was arguably Britain's most important composer since Vaughan Williams; he was certainly one of the century's most powerful and original symphonists anywhere.

He was born in Leamington Spa in 1921, son of an English father and a Dutch mother. His parents intended him for medicine, but music was the stronger calling – although, as a conscientious objector, he did serve in a mobile surgical unit during the Second World War. From 1942 to 1944 he studied under Herbert Howells in London, and took his DMus at Durham University in 1951, presenting his First Symphony (in truth, the fifth he had composed; he rejected the first four) for the occasion.

His first public activities were with the Exploratory Concert Society he founded in London after the war, where, with Donald Mitchell and Harold Truscott, he would present music by composers he felt were undeservedly neglected. In 1952 he joined the BBC as a producer. He spent the next 28 years there, becoming one of Britain's best-known broadcasters, his low, gravelly voice articulating penetrating insights into the music of the composers he most admired: Bach, Sibelius, Nielsen, Bruckner and, above all, his beloved Beethoven.

Robert Simpson was one of the finest writers on music that the English language has yet produced. His prose was uncluttered, his metaphors direct and highly imaginative – and often extremely funny – and his command of the subject unflinching. In the Preface to his

1967 study *The Essence of Bruckner*, he wrote that "the inner processes of music reveal themselves most readily to another sympathetic composer", a remark constantly vindicated by his steady stream of discoveries, particularly in the music of Beethoven.

But he was never an academic theorist: he was a communicator, because he cared passionately about the music he admired, and his articles and broadcast talks were all intended to let the reader/listener perceive for himself the musical procedures at work. Describing a change of key in a Sibelius symphony, for example, Simpson would add: "But it doesn't matter if you can't tell E minor from a rissole" – the important thing was that you could hear, feel, the effect it produced. There is no missionary, lecturing zeal in his writing, simply the firm belief that good music could do its own convincing.

His views were indeed held firmly. He was a lifelong socialist and pacifist, and his move to south-west Ireland in the early days of the Thatcher era was encouraged by the fact that Ireland did not have a nuclear arsenal. Having joined the BBC at the heyday of the Third Programme, he was appalled at the degeneration of its standards; like his friend Hans Keller, he saw the corporation as the ideal means of communicating the values he held to be important – not because of any cultural snobbery but because they both believed deeply in the civilising force of great art.

The breaking-point came in 1980, when the BBC attempted to make swinging cuts in its orchestral resources, occasioning the musicians' union boycott of BBC work that summer. Simpson resigned, writing in a letter to the *Times* that he could no longer work for an institution whose views he no longer respected.

Robert Simpson was also a

powerful force in promoting fellow composers in whose music he believed. The British discovery of Carl Nielsen in the 1950s owed more to Simpson's committed advocacy than any other factor. And the emergence of Havergal Brian into the public consciousness came about thanks to a chance encounter with the score of Brian's Eighth Symphony in 1964, when its composer was 78. Simpson was so impressed that he arranged for the work to be performed by Sir Adrian Boult and the London Philharmonic Orchestra; and with time he determined that the BBC would perform all of Brian's symphonies – 32 by the time Brian died, after an astonishingly creative Indian summer unleashed in good measure thanks to Simpson's encouragement.

But for all his prominence in British musical life it is for his own music that Robert Simpson will be remembered. He completed 11 symphonies, concertos for violin, piano, flute and cello, 15 string quartets, a good number of other chamber pieces, a substantial corpus of works for brass band, two choral compositions and a handful of none the less sizeable pieces for piano and organ.

Most of these works employ the structural principle that makes his music so singularly compelling: the tension between opposing tonalities – a reflection, perhaps, of the vast tensions that inform Simpson's hobby, astronomy. Over time, Simpson moved away from the pitting of one key against another; instead, he began to examine the generative power of an interval or series of intervals – though the controlling grip of key still gave his music a sense of purposiveness and direction that very few of his contemporaries ever achieved. The ability of tonal conflict to generate tension and momentum first occurred to Simpson through the music of Nielsen, whose symphonies had



"It doesn't matter if you can't tell E minor from a rissole": Simpson – a composer who ploughed his own furrow – in 1984. Photograph: Suzie Maeder/Lebrecht Collection

developed along similar lines, but via the negative example of Schoenberg – surprisingly, in view of Simpson's aversion to his music. Simpson was struck by the fact that Schoenberg's Piano Concerto seemed "fixed to a tonal centre, which loomed periodically behind the muck, and was deliberately avoided at the end", and he felt that he could make a more positive use of this phenomenon: "I wanted to find a way to make tonal centres react against each other, not to make non-tonality react against tonality. I felt (and still feel) that to try to anaesthetise the listener's tonal sense was to deny oneself a powerful means of expression."

It was after Simpson had embarked on this path that he encountered the music of Carl Nielsen, which so impressed him that for months he couldn't compose: he felt that someone else had said it all before. But with the first British performance of the First Symphony, under Boult, in 1954, it was clear that an important new voice had entered British music.

Edmund Rubbra – another composer whose works, like Simpson's, were marginalised by the modernist orthodoxy that ruled musical life in Britain and abroad from the 1930s until the 1970s – commented on the strength of purpose and

clear sense of direction of Simpson's No 1:

There is not a trace of diffidence in facing the issues of symphonic thought; indeed, to write a symphony in one continuous movement lasting about 26 minutes argues an assurance that is usually arrived at late in one's composing life.

Rubbra continued with a description that applies to Simpson's style throughout his nearly 50 years as a composer: The music is rugged and uncompromising but intensely logical in its thought and if there are more than occasional echoes of Nielsen in it, both in the scoring and the actual music, it is an influence that has been so absorbed and transmuted that one is aware of an attitude rather than another personality.

Simpson's music almost al-

ways took the larger forms of Western classical music – the symphony, the quintet, the quartet, the trio – since he was acutely aware of his responsibility to the tradition in which he worked, especially as it then seemed under fire from the Darmstadt radicals who claimed that the symphony was dead. As a result, there is almost nothing in his output that is "easy" – no suites (some early incidental music apart), no songs, no concert overtures; instead, Simpson used those large spaces to grapple with particular compositional problems, often with considerable ingenuity.

The slow movement of the Second Symphony, for example, is a fairly strict palindrome. And his early (1948) *Variations and Finale on a Theme of Haydn* took a palindromic motif of Haydn's as the basis for variations that are themselves palindromic. He expanded this idea in his huge Ninth Quartet of 1982: an hour-long set of 32 palindromic variations and fugue on that same theme – one of the most difficult pieces in the quartet repertoire, and also one of the most deeply moving. Ten years earlier, the Fourth, Fifth and Sixth Quartets (1973-75) formed a unique homage from one composer to another: as Simpson put it, they "constitute a close study of Beethoven's three Razumovsky Quartets, op 59, that is to say, the attempt to understand those great works resulted in not a verbal analogy but music".

The 50-minute Ninth Symphony (1986-87), the work Simpson himself regarded as his greatest, is built in a single tempo, over a single basic pulse; what the listener perceives, of course, is not some stale compositional technique but an enormous organic construction of terrifying power.

The emergence of Simpson's music into the limelight began in earnest only in the 1980s, with the formation of a Robert Simpson Society (its ar-

chive is held at Royal Holloway College in Egham) and the initiation of the near-complete survey of his music on the Hyperion label – a courageous undertaking for this then small company. The award-winning CD of the Ninth Symphony was sponsored mainly by the Rex Foundation of San Francisco, a front for the charitable activities of the rock group the Grateful Dead, the source of much help for British music over the last 15 years or so (Simpson immediately referred to himself as "the grateful living").

Simpson had been composing vigorously since leaving the BBC and looked set to have a productive retirement on the south-west coast of Ireland when, in 1992, he suffered a massive stroke that left him partially paralysed and in constant pain. With the valiant, unflinching support of Angela, his second wife, he managed to complete his Second String Quintet, but the flood of new works was over. He had, at least, the satisfaction of seeing his status assured – though he never courted approval, never used his status as a senior producer at the BBC to push his own music; with the cussed determination that characterised his friend Havergal Brian, he simply ploughed his own furrow until the world caught up with him.

Yet Simpson's music is not "difficult", even if it does demand concentration from the listener. And at its best it has a visceral excitement that is bound to evoke a physical reaction in its audience: the Fifth Symphony, for example, is a ferocious explosion of energy that could easily match the century's other major Fifth – Sibelius's, Nielsen's, Shostakovich's – in popularity if it were given sufficient exposure. The music, indeed, is like the man: tough and uncompromising, its stubborn integrity often illuminated by a fleet wit and surprising gentleness.

— Martin Anderson

### DEATHS

THOMSON: On 20 November 1997, Dr Colin Thomson, after a brave fight against myeloma. Dearest loved husband of Marion, dear father of Gary, Michael, Frances and Cathryn. Dearest papa of Jenna, Jamie and Sophie. Funeral service at St Salva-

### BIRTHS, MARRIAGES & DEATHS

tor's College Chapel, North Street, St Andrews, on Tuesday 25 November at 1.30pm, afterwards to Western Cemetery. Family flowers only. Donations if desired to International Myeloma Foundation, 9 Geyfield Square, Edinburgh EH11 3NT. For BIRTHS, MARRIAGES & DEATHS, telephone 01753 2011 or fax 01753 2011.

### Birthdays

Mr David Blakey, Chief Constable, West Merca, 54; Mr Ian Botham, cricketer, 42; Mr Lynn Chadwick, sculptor, 83; Mr Willy Claes, former Secretary-General of Nato, 59; Mr Billy Connolly, comedian, 55; Miss

Beryl Cooper QC, a Recorder of the Crown Court, 70; Mr Patrick Dickinson, Richmond Herald of Arms, 47; Miss Elisabeth Fisher, circuit judge, 53; Miss Geraldine Fitzgerald, film actress, 84; Miss Susan Gilmore, actress, 43; Miss Sue Higginson, head of the Royal National Theatre Stu-

dio, 54; Mr David Kossoff, actor, 78; General Sir Richard Lawson, former Commander-in-Chief, Allied Forces, Northern Europe, 70; Professor Sir Clive Moser, Chancellor, Keele University, 75; Mr Charles Osborne, author, 70; Miss Vivien Saunders, golfer, 51; Mr Andrew Stunell MP, 55.

### ROYAL ENGAGEMENTS

The Duke of Edinburgh, Senior Fellow, attends the 100th Anniversary of the First World War at the Imperial War Museum, London, on Tuesday 26 November. The Duke of Gloucester, 70, will be in the company of the Queen Mother at the 100th Anniversary of the First World War at the Imperial War Museum, London, on Tuesday 26 November. The Duke of Kent, 67, will be in the company of the Queen Mother at the 100th Anniversary of the First World War at the Imperial War Museum, London, on Tuesday 26 November. The Duke of York, 58, will be in the company of the Queen Mother at the 100th Anniversary of the First World War at the Imperial War Museum, London, on Tuesday 26 November.

Changing of the Guard  
The Household Cavalry Mounted Regiment presents the Queen's Life Guard at Horse Guards 7.30am.

سكزا من الامم







## Japan acts to stem financial crisis with Yamaichi bail-out

Brokerage applies for closure amid suspicions of £1bn concealed loss

In an effort to avert fresh panic on the international markets, the Japanese authorities were last night racing against the clock to thrash out a deal to bail out the customers of Yamaichi Securities, when the stricken brokerage announces its demise this morning with debts of \$24bn.

Richard Lloyd Parry in Tokyo reports on the country's biggest financial failure since the war and the efforts to contain it.

It now seems certain that Yamaichi, one of Japan's "Big Four" brokerages, will apply today for voluntary closure, amid growing suspicions that the company illegally concealed almost £1bn of losses in the Cayman Islands.

The governor of the Bank of Japan, Yasuo Mutsaers, will deliver a statement today promising to restore international confidence in the country's financial sector before the Asian markets begin trading.

Global confidence in Japan's financial system has been drastically undermined since the bankruptcies earlier this month of Sanyo Securities and of Hokkaido Tokushoku, the country's tenth-largest bank.

Although the Tokyo Stock Exchange is closed today for a public holiday, financial markets in Hong Kong, London and New York are braced for a rocky ride as the world waits to see how Japan plans to shore up

its crisis-ridden banking sector. Analysts were last night forecasting heavy selling of the yen and equities and buying of US government bonds. In the unlikely event that the Japanese government fails to come up with a commitment to protect depositors, shares could be expected to plunge even more steeply on the foreign markets, thus adding to the likelihood of further bankruptcies.

Sliding stock prices are one of the factors putting pressure on Japan's banks, several more of which are believed to be near collapse under the weight of bad loans left over from the boom days of the 1980s "bubble economy" and the collapse of several Asian tiger economies in recent months.

Over the weekend, an official of the Ministry of Finance said there were suspicions that Yamaichi had concealed more than ¥200bn in off-the-book debts, although other reports put the figure as high as ¥260bn. Kyodo news service quoted sources in the company as saying that these had been hidden in four or five dummy firms in the Cayman Islands.

They were apparently hidden from regulators by an illegal practice known in Japanese as *tohashi*, whereby brokerages

temporarily transfer trading losses from one client to another so that none ever has to declare them on its books. Before the news of its imminent collapse, Yamaichi was being investigated for illegal payments to a corporate racketeer, a scandal which damaged its reputation and cost it several big customers.

The hidden debts are being investigated by Japan's Securities Exchange Surveillance Commission, but their disclosure once again raises questions about the stringency with which the Japanese authorities supervise their financial sector.

In 1995, the Ministry of Finance was embarrassed by the discovery of huge trading losses at Daiwa Bank which had gone undetected by inspectors for 11 years.

"As for what caused these off-balance sheet liabilities, that's something that will have to be cleared up by subsequent investigation," said Atsushi Nagano, the director-general of the Ministry of Finance securities bureau.

Even if Yamaichi is disposed of in an orderly way, the Japanese financial sector will remain extremely fragile, with more collapses inevitable as the country opens up its markets to foreign competition. Businessmen, investors and the US government have made it clear that they expect the government to stabilise the situation by using public money to help banks write off their bad debts. But the use of public money to bail out mismanaged companies is extremely unpopular with voters.

The demise of Yamaichi will affect 260 staff in its London-based securities arm, Yamaichi International Europe, but there are hopes that a buyer can be found for Yamaichi Bank UK.



Yamaichi's Tokyo headquarters: Scene of frantic attempts to work out a deal to avert a financial crisis before the markets open today Photograph: Jon Herskovitz/Reuters

## Pacific Rim leaders sign \$1.5trn trade deal

Ministers from Pacific Rim countries yesterday agreed a \$1.5 trillion trade liberalisation deal and the creation of an Asian emergency fund in a bid to restore investor confidence in the ailing region. Mary Dejevsky reports from Vancouver on the fear hanging over this week's Asia Pacific Economic Co-operation summit.

Welcoming the agreement to lower tariff barriers across key sectors of trade, President Bill Clinton described the deal as "very important".

In an attempt to sustain international faith in Asia's battered economies, Mr Clinton described the current difficulties as "glitches" and said: "This is a time for confidence in the economies of Asia and in our relations with them."

But he stopped short of pledging additional US assistance, whether for South Korea or any of the South-east Asian countries that are in difficulty. "Our commitment is limited but sufficient to send a signal."

Mr Clinton stressed that for South Korea, which has applied to the IMF for a \$20bn aid package, the task should be to "restore the natural growth potential". The IMF should be the "first line of defence", followed by attempts by national governments to pursue "responsible policies that inspire confidence in others".

There might, then, he said, be a need for "a sort of back-up, stabilising support", but this would be nowhere near as large as what was required to

bail out Mexico and it was "premature" to consider whether the US might contribute.

Mr Clinton is expected to hold bilateral discussions today with the Prime Minister of Japan, Ryutaro Hashimoto, as the annual Apec meeting gets underway with 18 leaders of Pacific Rim countries in attendance. A meeting that the United States had hoped would advance its global free trade agenda has turned into an exercise in crisis containment.

The accords signed over the weekend include a nine-point agreement on tariff reductions, covering a range of sectors from telecoms, toys and chemicals to environmental goods, fish and forest products. Ministers also endorsed the idea, mooted in Manila last week, of an Asian emergency fund. The fund would supplement financial rescue packages such as those the International Monetary Fund is providing for Korea.

The two accords, contained in a declaration by Apec trade and foreign ministers, seemed designed to show that the grouping was intent on sticking to its original agenda - the pursuit of freer trade and closer co-operation - and resisting a retreat into protectionism. Given the general uncertainty prevailing at Vancouver, however, the declaration looked like a hastily arranged insurance policy, just in case nothing else could be achieved.

The United States is unhappy, however, about the idea of an Asian emergency fund and this may cause some friction with other Apec members. The US believes that such a fund could allow ailing economies to muddle on without the reforms and fiscal discipline that the IMF would require.

## British Aerospace strikes deal with Boeing and eyes up Daimler takeover

British Aerospace, one of the four partners in Airbus Industrie, will this week announce a manufacturing deal with Boeing of the US to make parts for its 737 jets. Meanwhile there is speculation that BAe is eyeing up a £2bn takeover of Daimler-Benz's Deutsche Aerospace to kickstart the restructuring of Europe's aerospace industry. Michael Harrison reports.

Boeing and BAe are about to conclude an agreement worth hundreds of millions of dollars that will see the UK group producing parts of the wing for the next generation of Boeing 737 aircraft. The work will be carried out at BAe's Chadderton factory near Manchester, one of the sites BAe uses to manufacture wings for the Airbus programme.

Deals whereby rival aircraft manufacturers subcontract to one another are not unknown but, because of European sen-

sitivities, BAe has tended not to manufacture parts for Boeing's civilian aircraft.

Boeing has run into production problems at its Seattle manufacturing plants, expected to cost it \$2.6bn in one-off charges, because of the sheer volume of orders it is receiving and needs surplus capacity.

Competition in the airline market has rarely been more intense between Airbus and Boeing. Last week the European consortium beat Boeing to a \$1.5bn order for narrow-bodied jets from Sabena of Belgium.

And the two manufacturers are in fierce competition to win customers with rival wide-bodied long-range jets, the new Airbus A340-500 and 600 series and the Boeing 777-200/300X.

BAe expects to hear this week whether it has persuaded the Government to change its mind and provide launch investment for the new A340 jet. BAe is seeking £120m in support. One option might be to allow BAe to defer repayment of earlier launch aid.

Meanwhile there is speculation that BAe might strike a deal with Daimler to

take over its military aerospace and defence business. A combination of the two would create a grouping with defence sales of \$12bn, 90,000 employees and an orders backlog of \$16bn.

In a recent research note, Nick Cunningham, aerospace analyst at Salomon Brothers, said BAe could take a 49 per cent stake in Dasa initially and move later to majority control. He also speculated that parts of GEC Marconi, Matra and Saab could be brought into the group, creating a pan-European defence business with sales of \$20bn and an orders backlog of \$35bn.

Mr Cunningham assumed that the commercial aircraft business would be kept in Airbus when it converted to a single corporate entity in 1999 while Daimler would retain its MTU engines business and space division, neither of which BAe is interested in. This would leave the defence electronics and aircraft businesses which Salomons values at £1.82bn.

BAe and Dasa know each other well, being partners on both the Airbus programme and the Eurofighter. They also mounted a successful joint £390m bid recently for Siemens Defence Electronics.

## No blame in Guinness report EMI looks at buying Waterstone's

The long-awaited official report into the Guinness affair will be published on Thursday, contrary to City rumours that it was to be delayed.

However, the report will prove a disappointment to those expecting blame to be apportioned to the leading players caught up in the scandal. It is understood that the report does not offer any criticisms of the main participants, opting instead for a detailed account of events surrounding Guinness' takeover of Distillers in 1986.

The Department of Trade and Industry inspectors are not expected to directly criticise the principal players, such as the former Guinness chief executive, Ernest Saunders, who was jailed for his part in the affair. But they may invite regulators to take action if necessary. No changes are recommended to takeover law, though many have already been made in the 11 years since the inspectors were appointed.

The report is not nearly as critical as the interim report, which was never published. However, it will be closely observed by some of the City figures caught up in the Guinness affair as some are still working in the City. These include David Mayhew, a senior partner at Cazenove, and Christopher Reeves, chief executive of Merrill Lynch in Europe.

Lawyers for Cazenove, Guinness' brokers at the time and now joint brokers with Hoare Govett, have been examining the report. Though there may be objections from one or two of the individuals dragged into the scandal, they are not expected to challenge the report's findings.

The Treasury Solicitor sent letters to all newspapers on Friday, preventing the publication of material divulging "or purporting to divulge" contents of the report ahead of its publication.

- Nigel Cope

Dillons and Waterstone's could be merged to form Britain's largest bookseller under a deal being considered by EMI, owner of the Dillons chain.

EMI is interested in buying Waterstone's to help enhance its position in the UK book market, which is entering a period of consolidation as overseas operators move in. The media group, which reports its half-year results tomorrow, has contacted WH Smith for details on the chain but has yet to make an offer. If it succeeds, it would create Britain's largest bookseller with an 18 per cent share.

Dillons has been improving since EMI acquired the chain for £36m from the receivers to the collapsed Pentos empire in March 1995. It is now making undisclosed profits on sales last year of £139.4m. However, book industry experts say that, though the business has been stabilised and the portfolio improved, Dillons needs greater

scale if it is to make headway in an international market.

It is understood that EMI, which operates Dillons through its HMV music chain, fears American interest in Waterstone's could spark an auction for the group. Analysts value the chain at £300m to £350m. Overseas interest is expected from Barnes & Noble, the American book superstore retailer, and Borders, the US group which paid an estimated £40m for Books etc in September.

If EMI misses out on Waterstone's, it may be tempted to sell Dillons rather than battle on in a competitive market. Though it is thought EMI has no plans to sell, Dillons would now be worth more than £100m, three times what EMI paid for it and would realise value for shareholders at a time when its music business is going through a tough time.

- Nigel Cope

### IN BRIEF

#### Airlines to link up

Singapore Airlines, one of the world's most profitable airlines, is today expected to announce a link-up with Lufthansa which could eventually lead to it joining the world-wide Star Alliance led by the German carrier and United Airlines. In anticipation of the move, Delta Air Lines and Swissair have terminated their eight-year old alliance with Singapore.

#### Creative use of directors

Every company should appoint a director of creativity as a recognition that this aspect of business is just as important as productivity, says Michael Peters, one of the world's leading designers, in a report published today. The aim, he said, would be to ensure that accepted ways of doing things were challenged.

#### Car output to double

Car production in central and eastern Europe is set to double over the next five years, according to a report published today. Output will increase from 1.89 million last year to 3.1 million by 2001, fuelled by a surge in exports into western Europe, the Economist Intelligence Unit predicts. The biggest growth will be in Poland.

#### 'Tackle the timebomb'

ICL, the computer services and IT group, yesterday said companies should be obliged to spell out in their annual reports how they were tackling the millennium timebomb after a survey of broking analysts showed widespread ignorance in the City about how well business was prepared. Half those questioned had no idea how many companies they followed had addressed the year 2000 problem.

#### Former ITT chief dies

Harold Geneen, the legendary former chairman and chief executive of ITT, the US telecommunications group, has died of a heart attack in New York aged 87. Mr Geneen became CEO of ITT in 1959 and built it into a conglomerate of more than 250 companies. He retired in 1977.

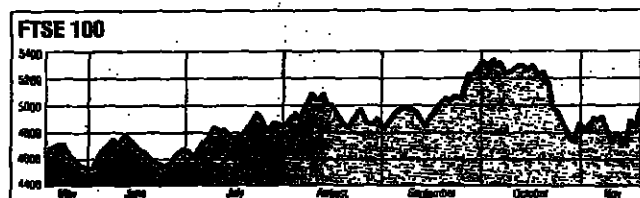
#### Card spending up 16%

October spending on credit and debit cards grew by only 16 per cent on the same month last year, according to figures compiled by the Credit Card Research Group. Spending grew at almost double this rate a year ago.

#### Liberty family backed

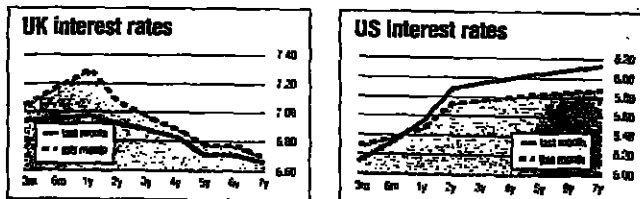
The Stewart-Liberty family and Bryan Myerson, who are attempting to oust the retailer's chairman, Denis Cassidy, have won the backing of two more shareholders who account for 3 per cent of Liberty shares. They are Manny Davidson, chairman of Asda Property Holdings, and Ampersand Trust, a US group. This gives the concert party acting against Mr Cassidy almost 47 per cent of the votes ahead of an emergency meeting next month.

### STOCK MARKETS



Indices	Close	UK's chg	US's chg	52 wk high	52 wk low	Yield (%)
FTSE 100	4985.80	244.00	5.15	5367.3	3882.7	3.532
FTSE 250	4665.70	79.20	1.73	4963.6	4321.8	3.447
FTSE 350	2399.50	102.80	4.47	2570.5	1936.7	3.515
FTSE All Share	2344.62	93.28	4.14	2507.68	1942.22	3.497
FTSE SmallCap	2070.0	-7.50	-0.33	2407.4	2127.5	3.245
FTSE Fledgling	1253.0	0.70	0.06	1465.5	1198.7	3.261
FTSE AIM	981.4	-4.30	-0.44	1138	965.9	1.06
Dow Jones	7881.07	393.31	5.25	8298.03	6236.05	1.726
Nikkei	16721.58	1639.06	10.87	21460.57	14966.13	0.92
Hang Seng	70548.20	560.87	5.93	16820.31	8775.88	4.014
Dax	3959.89	228.75	6.13	4459.89	2756.11	1.986

### INTEREST RATES

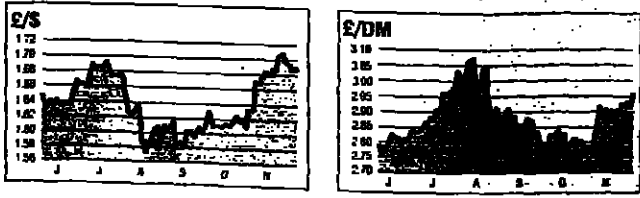


Money Market Rates	3 month	1 yr	1 yr chg	1 yr chg	1 yr chg	1 yr chg
UK	7.89	1.27	7.93	0.83	6.53	-0.05
US	5.88	0.36	6.00	0.32	5.82	-0.31
Japan	0.47	-0.03	0.55	-0.08	1.97	-0.78
Germany	3.75	0.57	4.10	0.78	5.52	-0.33

### MAIN PRICE CHANGES

Rises	Falls
Mercury Asset 1673 437 35.36	Ionica 143.5 -123 -46.15
Unichem 350 73 20.55	Safeway 319 -745 -19.95
Schroders 1750 322 22.55	Sears 51.5 -6.5 -11.21
M and G Group 1387.5 212.5 18.09	Enterprise Oil 577 -65.5 -10.19

### CURRENCIES



Pound	Price	UK's chg	US's chg	1 yr chg	1 yr chg
Dollar	1.6910	-0.58c	1.6868	0.9914	+0.20p
D-Mark	2.9447	+1.23p	2.9399	1.7428	+1.28p
Yen	214.23	+¥1.80	187.78	126.02	+¥0.44
E index	104.50	+0.40	92.80	106.30	0.20

### OTHER INDICATORS

Commodity	Price	UK's chg	US's chg	1 yr chg	1 yr chg
Brent Oil (\$)	18.05	-1.20	22.79	113.90	3.80
Gold (\$)	304.25	1.60	372.75	199.50	3.7
Silver (\$)	5.25	0.19	4.83	Base Price	7.25

www.bloomberg.com

source: Bloomberg

150 من الراجل



# 19/ECONOMICS

THE INDEPENDENT  
MONDAY  
24 NOVEMBER 1997  
19



**GAVYN DAVIES**  
**ON WHY JAPAN NEEDS A HUGE FISCAL PACKAGE**

## Plague of overinvestment is restricted to Asia

The high-investment economies - Japan, the Asian tigers, even Germany - were only a few years ago deeply revered in the think-tanks of the west. Libraries were written about the lessons that could be learned from them, and about the shortcomings of the Anglo-Saxon system.

But their startling recent collapse has prompted several serious economists to argue that they are gripped by a new malaise known as overinvestment.

This notion, the latest fad to sweep the business magazines of North America, holds that economies can drive themselves into recession, not by a slump in demand, but through an excessive build-up of capital equipment which eventually ends in the misery of empty factories, uninhabited skyscrapers and weed-strewn fairways on deserted golf courses.

The overinvestment school asserts that an excess of potential supply can be just as likely to cause a recession as the more familiar shortage of demand, and that it can take much longer to eradicate. Some of the more pessimistic members of this school fear that what is now happening in Asia may soon spread to the United States, where business fixed investment has increased at double-digit rates for much of this decade. If the US should catch the overinvestment bug, then global deflation could indeed become a reality.

Conventional macro-economists have generally not troubled themselves with such possibilities, which is not too surprising in view of the fact that they have spent the past two decades trying to think of ways of increasing aggregate supply rather than worrying about an excess of productive capacity. In fact, *The Economist* last week dismissed concerns about overinvestment as nothing more than trendy clap-trap.

According to conventional thinking, it is impossible for an economy to experience too much supply. This is simply another way of saying too little demand and - since there is nothing easier than boosting demand through reducing interest rates or raising public sector deficits - a demand shortage can never turn into a real problem.

Tell that to the Japanese. Any explanation of the present travails of the Japanese economy would have a hard time ignoring the role of overinvestment in the bubble economy of the late 1980s.

Owing to ludicrously easy monetary policy at that time, the stock market reached unheard-of extremes of overvaluation and the cost of raising equity capital for companies fell almost to zero. Since Japanese companies had always been more interested in maximising market share than in increasing profits, the availability of virtually free equity capital was a temptation too great to ignore. As the graph shows, the share of investment in GDP rose substantially relative to its long-term trend for several successive years. The rate of return on equity capital fell dramatically as increasingly marginal projects were blindly pursued. Yet for quite a while the equity market, even more blindly, rocketed skywards.

This alone may not have been too much of a problem. But the banking sector was increasingly accepting equities as collateral when making loans, or directly ac-

quiring shares as part of its capital base. Companies raised capital by issuing low-interest debt, spiced up with equity warrants. Life insurance companies offered their customers guarantees of future income which relied on implausible assumptions about high total returns extrapolated into the indefinite future. By these and other means, the health of the financial sector became dependent on the assumption that the overvalued equity market would continue to defy gravity, and that in turn ultimately depended on the profitability of projects undertaken during the era of overinvestment.

Perhaps all that would have been enough to have spelled disaster. But the real *coup de grace* was delivered by the chronic overvaluation of the yen, which in the 1990s emphatically ended the Japanese export miracle and priced out of world markets exactly those new factories which had been erected during the investment bubble.

Japan therefore managed to do the following in short order - first, overinvest in capital equipment; second, make the

health of the financial sector dependent on the profitability of this overinvestment; and third, price the new capital equipment out of the market by overvaluing the currency.

The result of this underutilised and overpriced capacity was recession and deflation at home, followed by a collapse of the banking sector which made all the above problems worse. And the fourth key mistake was to refuse to embark on a massive and continuous programme of fiscal expansion to ensure that domestic demand recovered rapidly, and to inject sufficient public money to shore up falling banks.

The excuse for this final calamity was, and still is, that the future ageing of the Japanese population would one day lead to an unsustainable rise in public sector debt unless the budget deficit was rapidly brought under control. True enough but, as the American government has tirelessly pointed out, the problem of excess public debt can be solved over the long term, while the problem of recession and a failing banking sector is very much in the here and now. Last year, the IMF calculated

that Japan needed to tighten fiscal policy by 4 per cent of GDP in order to stabilise its public debt ratio.

But it also calculated that, if this tightening were delayed by two years, the required action would rise to only 4.2 per cent of GDP. In other words, a delay of a few years would make no significant difference to the long-term build-up of debt.

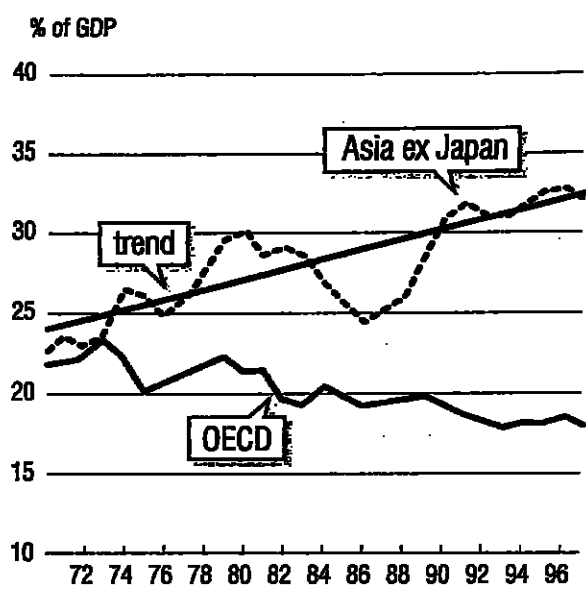
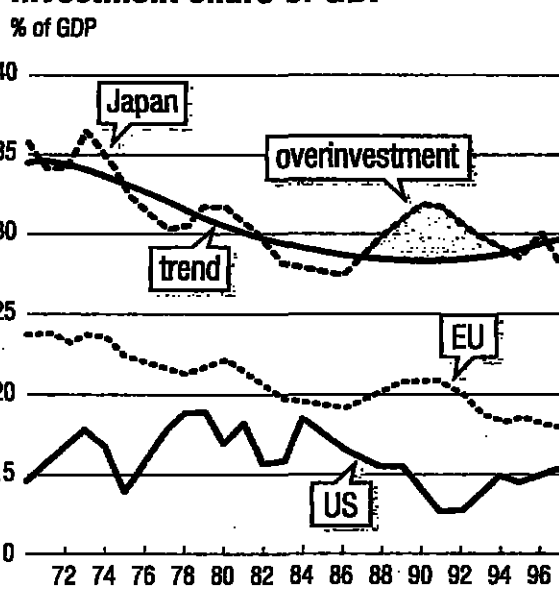
The Hashimoto government rejected this analysis and pressed ahead with a fiscal tightening of 2.5 per cent of GDP last April. The economy duly collapsed, and hence we arrive at the problems of last weekend. Maybe the penny has finally dropped with the collapse of Yamaichi Securities, but even now this must be rather doubtful. The political impediments to decisive fiscal expansion in Japan are still very severe, and a further dose of piecemeal reform seems much more likely than the introduction of the huge fiscal package which is now so urgently needed. Without this package, Japan will limp forward for many more years.

But, on the brighter side, there is no need to fear that overinvestment is becoming a problem for the world as a whole. True, the Asian economies (ex Japan) have recently been investing about 33 per cent of their GDP part of which has almost certainly been wasted in sectors which will not produce high returns. This could cause Japan-like problems for the Asian tigers, despite the fact that the recent massive devaluations of emerging Asian currencies suggest that at least some of Japan's mistakes will not be repeated.

More important for the rest of us, the overinvestment malaise has not spread to the US, the EU, or the OECD countries taken as a whole. For the entire developed world, investment has been falling as a share of GDP for more than 25 years, and there has been absolutely no sign of an investment bubble in recent years, even in the US. In fact, underinvestment seems to be more of a problem than the reverse, especially in Europe.

Overinvestment is exclusively an Asian problem, and to suggest that it will lead to global deflation is to get Asia out of scale in the world order.

Investment share of GDP



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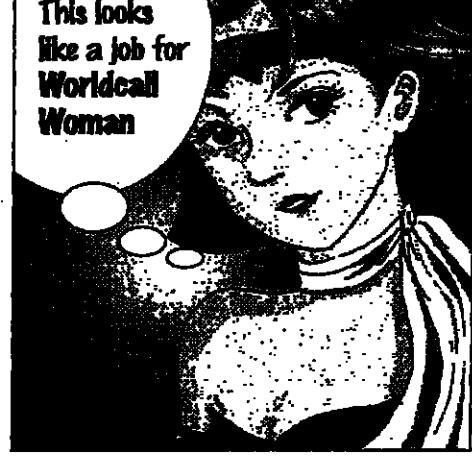
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# Seeds are planted for Britain's forests of the future

This year's National Tree Week, to be launched on Wednesday, will celebrate Britain's 'landmark trees' and see the planting of a million new trees. Although this may sound like a good idea, Matthew Bruce hears from environmentalists who think it could be a dangerous policy.

Nearly half of the nation's trees have been hacked down since the war to make way for housing or farming.

Britain's remaining woodlands, some of the finest in Europe, are neglected and radical replanting is needed to re-stock them, according to the Tree Council. Thus this week's forthcoming celebrations of "landmark trees" – significant either botanically, historically or for purely personal reasons.

Various events are planned for celebrations around the country including tree dressing, an ancient folklore art of decorating trees. The council also hopes a million new trees will be planted during the week – the landmark trees of the future.

"There are many generations of landmark trees all around us," said the Tree Council's director Robert Osborne. "They are an extremely important part of our natural landscape, adding history as well as beauty to the countryside."

"Our aim is to get people to gather seeds from a tree that is significant in their lives, to sow them, grow the seedlings and then to plant a new tree."

However, tree-planting is not always considered the best way of promoting new growth. In the far north of Scotland there was uproar over plans to reforest land with Christmas trees once the potential damage to wildlife was realised.

Elsewhere new strands of trees are not always welcome because of the possible harm to soil qualities or views.

Tony Juniper, campaigns director of Friends of the Earth, while lauding the restocking of woodlands, urged caution.

"The Tree Council is doing a worthy little job here but the important thing to remember is that simply planting a tree is not enough," he said. "You need to know that you are planting the right tree in the right place and in the right soil, otherwise it might damage the environment and the tree might not survive."

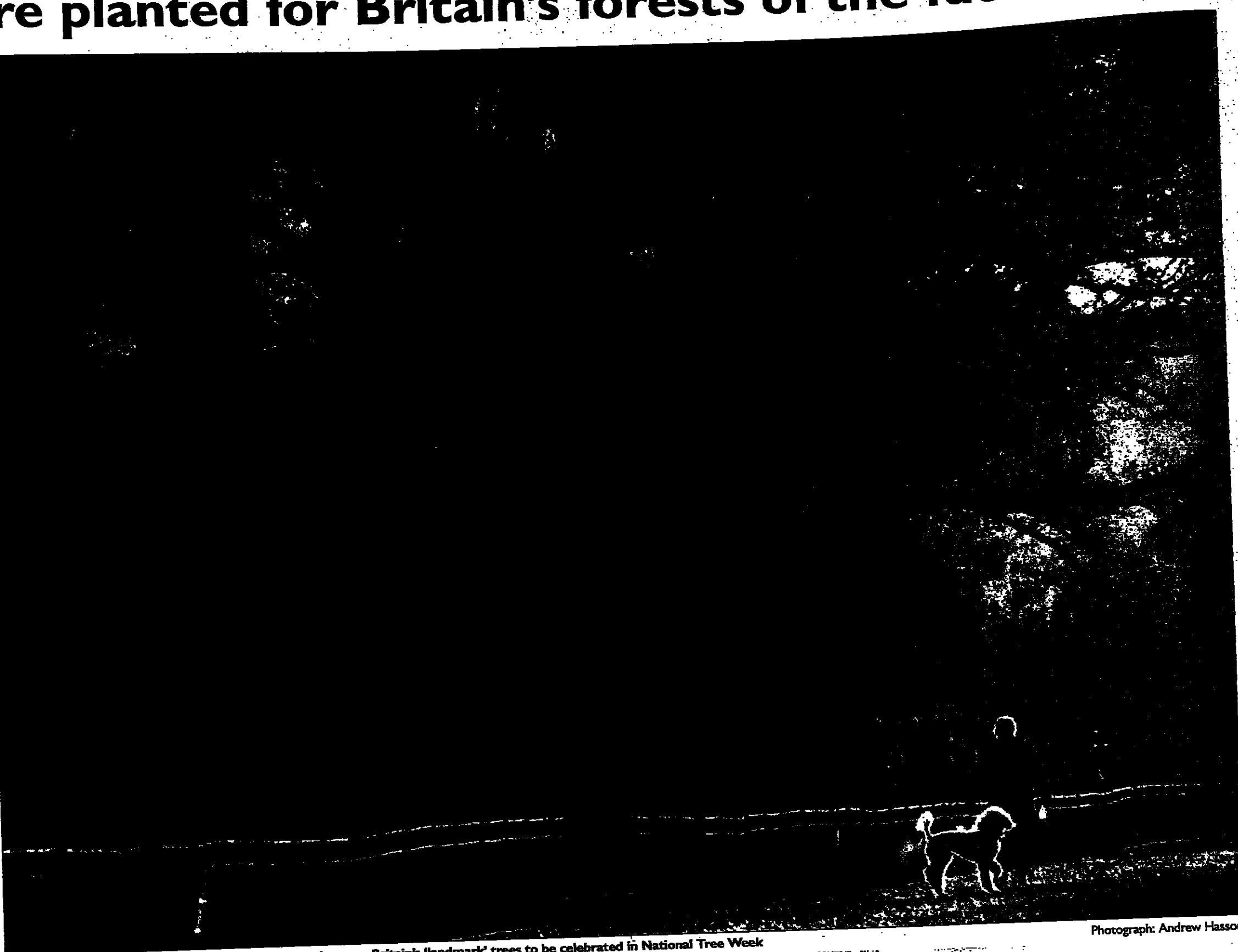
Mr Osborne said the fundamental message from the 'Tree Council' was "appropriate and sensitive planting". "Obviously foresting uplands that are important to wildlife is wholly inappropriate but with current changes in forestry practice we should not in future see this totally indiscriminate planting. If you follow the 'right tree-right place' policy I believe there is an enormous amount of scope for planting lots of trees to replace some of those we have lost since the Second World War."

"You don't want to plant a forest in a suburban garden. One popular tree, the Leyland cypress, grows so quickly it will take over your garden..."

Mr Osborne said another problem with tree planting is that some people view new trees in the same way they may a puppy for Christmas.

"Planting a tree is just the first step. We fear a lot of trees planted with great enthusiasm are not looked after and watered and an awful lot of money is wasted and the tree will not survive," he said.

For more information about Esso National Tree Week call 0345 078139.



Photograph: Andrew Hasson

A new leaf: Elms in Preston Park, Brighton, are rated among Britain's 'landmark' trees to be celebrated in National Tree Week

## FIVE LANDMARK TREES

The Tolpuddle Sycamore: In Tolpuddle, Dorset, the six Martyrs (farm labourers who were being exploited by their employers) met in 1834 to establish Britain's first trade union. The Much Marcle Yew: In a churchyard of this Hereford and Worcester village sits a yew tree said to be one of the oldest yews in Britain. It has a circumference of 32.5ft and could date back 1,000 years.

The Douglas Fir: At Hermitage in Tayside, Scotland, stands Britain's tallest tree, standing 211ft.

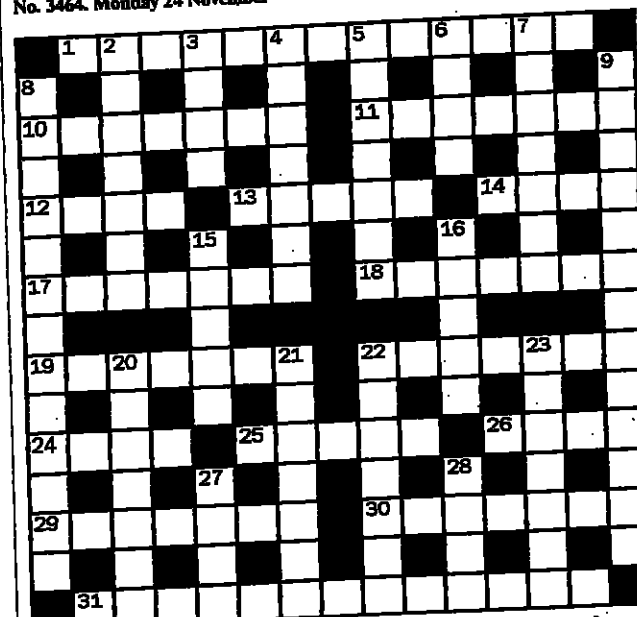
Brighton Elms: More than 7,000 elms still stand in Brighton. Because of the town's proximity to the channel ports where the disease entered the country, its devastating effects were seen early enough to implement a protection programme.

Herne's Oak at Windsor Great Park: It is impossible to know for certain if Herne the Hunter's "blasted oak", where Falstaff was shamed and around which the nymphs and spirits danced in Shakespeare's *The Merry Wives of Windsor*, still stands here today but there are several gargantuan contenders for the title.

## THE INDEPENDENT CROSSWORD

No. 3464, Monday 24 November

By Portia



**ACROSS**  
1 Actually realises a flag is wrong (2,5,2,4)  
10 Hold down dog that's going for duck (7)  
11 Fellow lied about one's love for classical opera (7)  
12 See, it's part of Rameses' pyramid (4)  
13 Turn faint getting out of vehicle (5)  
14 Ecstatic greeting is expressed (4)  
17 Expert marksman? (7)

18 Hard bearing Rex when he's in depressions (7)  
19 Monopolise Henry who frames painting for artist (7)  
22 Right about volume of blended oil on one's pasta (7)  
24 Start off quick to have a chance (4)  
25 More or less active (5)  
26 Look to go back round German city (4)

29 Party leader's plan to finish (4,3)  
30 Refuse contract (7)  
31 Do they give one a stony-eyed look? (6,7)

### DOWN

2 Gritstone used for children's play area (7)  
3 Continuously absent (4)  
4 Cheek worker behaving like a gentleman (7)  
5 Insult a person's appearance within earshot (7)  
6 Female illness mother is free of (4)  
7 Substitute gallon for what's inside (7)  
8 Patients express themselves better after such treatment (6,7)  
9 I aped Scottish eccentric to appear suave (13)  
15 Quiet concerning one held in a part of the country (5)  
16 Nothing inside except Italian wine (5)  
20 Get very angry when match's over (2,5)  
21 Regular visitor across the Channel (7)  
22 Song cycle's a quarter of lengths finally (7)  
23 Ring number in file to get short time before, scholar dug up ancient kingdom (4)  
28 Notes exist related to Greek character (4)

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